



United States Department of the Interior
Bureau of Land Management
Eastern States
7450 Boston Boulevard
Springfield, Virginia 22153
<http://www.es.blm.gov>



January 30, 2010

NOTICE OF COMPETITIVE LEASE SALE OIL AND GAS

In accordance with Federal Regulations 43 CFR Part 3120, the Eastern States Office is offering competitively 81 parcels containing 29,523.816 acres of Federal lands in Alabama (1,784.46 acres), Arkansas (10,776.985 acres), Louisiana (2,075.52 acres), Mississippi (983.635 acres), Ohio (9,506.662 acres), and West Virginia (4,396.554 acres) for oil and gas leasing.

This notice provides:

- the time and place of the sale;
- how to register and participate in the bidding process,
- the sale process;
- the conditions of the sale,
- how to file a noncompetitive offer after the sale;
- how to file a presale noncompetitive offer; and
- how to file a protest to our offering the lands in this Notice.

Beginning on page 10, is a list of the lands we are offering. The lands are listed by state and described by parcel number and legal land description. Below each parcel we have included any stipulations, lease notices, special conditions, or restrictions that will be made a part of the lease at the time we issue it. We have also identified those parcels where the United States owns less than 100 percent interest in the oil and gas mineral rights; and those that have pending pre-sale noncompetitive offers to lease which will not be available for noncompetitive offers to lease if they receive no bid at the sale. For your convenience, we are also including copies of the stipulations, lease notices, etc. affecting the parcels in this sale notice.

When and where will the sale take place?

- When:** The competitive oral auction will begin at **10:00 a.m. on March 18, 2010.**
The sale room will open at 9:00 a.m. to allow you to register and obtain your bid number.
- Where:** The sale will be held at the Bureau of Land Management, Eastern States Office, 7450 Boston Boulevard, Springfield, VA 22153. Parking is available.
- Access:** The sale room is accessible to persons with disabilities. If assistance is needed for the hearing or visually impaired, contact the Minerals Adjudication Team on (703) 440-1727, or at the mailing address on the letterhead of this notice by February 18, 2010.

Information regarding leasing of Federal minerals overlain with private surface, referred to as “Split Estate”, is available at the following Washington Office website. A Split Estate brochure is available at this site. The brochure outlines the rights, responsibilities, and opportunities of private surface owners and oil and gas operators in the planning, lease sale, permitting/development, and operations/production phases of the oil and gas program: http://www.blm.gov/bmp/Split_Estate.htm.

What is the sale process?

Starting at 10:00 a.m. on the day of the sale:

- the auctioneer will offer the parcels in the order they are shown in the notice;
- all bids are on a per-acre basis, rounded up to whole acres, for the entire acreage in the parcel;
- the winning bid is the highest oral bid equal to or exceeding the minimum acceptable bid; and
- the decision of the auctioneer is final.

How do I participate in the bidding process?

To participate in the bidding process, you must fill out a registration form identifying the lessee’s name and address that will be shown on the lease form and get a bidder number. If you are bidding for more than one party, you must register and obtain a separate bidder number for each company or individual you represent. We will begin registering bidders in the Conference Room at 9:00 a.m. on the day of the sale. You must display your bidder number to the auctioneer when you make a bid.

When you register to bid, you will be asked to sign a statement that your bid is a good faith intention to acquire an oil and gas lease and that you understand that any winning bid will constitute a legally binding commitment to accept the lease and pay monies owed, whether or not a lease is subsequently issued. Further, you will acknowledge that you understand it is a crime under 18 U.S.C. 1001 and 43 U.S.C. 1212 to knowingly and willfully make any false, fictitious or fraudulent statements or representations regarding your bidder registration and intent to bid, accept a lease and pay monies owed.

If you, or the party you represent, owe the United States any monies which were due the day of a previous oil and gas lease auction conducted by any BLM office – the minimum monies owed the day of the sale – you will not be allowed to register to bid at this lease sale. The Mineral Leasing Act sets out that leases be issued to a “responsible qualified bidder.” (30 U.S.C. 226(b)(1)(A)). Any bidder, or party represented by a bidding agent, who does not pay the minimum monies owed the day of the sale is considered as not meeting the qualifications to hold a lease – that is, is not considered a “responsible qualified bidder” – and will be barred from participating in any oil and gas lease auction until that debt to the United States is settled.

NOTICE: To assure the fairness and legitimacy of the auction process, the auctioneer or the authorized officer may at any time temporarily suspend the auction. The authorized officer will resume the auction as soon as possible on the same day when the fairness and legitimacy of the auction process is assured. If before the conclusion of the auction, the authorized officer finds that one or more tracts have been purchased by a bidder who cannot or does not intend to make the required payments of rentals and bonus bids, the authorized officer may nullify the sale of that tract or tracts, and auction those tract(s) again on the same day. If the authorized officer

finds that one or more tracts have been purchased by good-faith bidders, but that the auction of those tracts was or may have been tainted by the bidding of a person unwilling or unable to make the required payments of rentals or bonus bids, the authorized officer may offer the winning bidders a reasonable time to elect to rescind the lease agreement and receive a refund of rentals and bonus bids. The authorized officer may at any time exclude from the auction any person who is unwilling or unable to make required payments of rentals and bonus bids, or who does not cooperate in good faith with inquiries by the authorized officer or other federal official regarding any person's intention or ability to pay the required rentals and bonus bids for any tract.

What conditions apply to the lease sale?

- **Parcel withdrawal or sale cancellation:** We reserve the right to withdraw any or all parcels before the sale begins. If we withdraw a parcel, we will post a notice in Eastern States' Public Room and on our website at http://www.blm.gov/es/st/en/prog/minerals/current_sales_and.html . You may also get the number(s) of withdrawn parcels by contacting the Minerals Adjudication Team on (703) 440-1727. If there's a need to cancel the sale, we will try to notify all interested parties in advance.
- **Payment due on the day of the sale:** You cannot withdraw a bid. Your bid is a legally binding contract. For **each parcel** you are the successful high bidder, you must pay the minimum bonus bid of \$2 per acre or fraction thereof, the first year's rental \$1.50 per acre or fraction thereof, and a nonrefundable administrative fee of \$145. You must make this payment directly after the sale in BLM-ES' Accounts Department. **Any unpaid balance of the bonus bid must be submitted to the BLM-ES by 4:30 p.m., April 1, 2010**, which is the tenth business day following the sale. If you do not pay the balance due by this date, you forfeit the right to the lease and all monies paid on the day of the sale. If you forfeit a parcel, we may re-offer it on a later sale date.

The minimum monies owed the day of the sale for a winning bid are monies owed to the United States, whether or not a lease is issued. (43 CFR 3120.5-2(b) and 43 CFR 3120.5-3(a)). If payment of minimum monies owed the day of the sale is not received by the dates and time specified above, the Bureau of Land Management will issue a bill for the monies owed, and if payment is not received by the bill due date, the United States will pursue collection by all available methods, and when appropriate, issue late fees, civil penalties, interest, administrative charges and penalties on past due amounts. "All available methods" include, but are not limited to, referral to collection agencies and credit reporting bureaus, salary or administrative offset, Federal and State payments, including goods or services, Federal and State tax refunds, and retirement payments. The debt may be sent to the Internal Revenue Service for inclusion as income to you on Form 1099C, Collection of Debt. (Federal Claims Collection Act of 1966, as amended; The Debt Collection Improvement Act of 1996; and 31 CFR 285, Debt Collection Authorities Under the Debt Collection Act of 1966.)

- **Forms of payment:** You can pay by personal check, certified check, money order, or credit card (Visa, MasterCard, American Express, and Discover cards only). Cash is unacceptable. If you plan to make your payment using a credit card, you should contact your bank prior to the sale and let them know you will be making a substantial charge against your account. If you pay by check, please make checks payable to: **Department of**

the Interior - BLM. If a check you have sent to us in the past has been returned for “*insufficient funds*” we will require that you give us a guaranteed payment, such as a certified check.

Effective February 1, 2005, BLM will not accept credit card or debit card payments to the Bureau for any amount equal to or greater than \$100,000 for any purpose. We also will not accept aggregate smaller amounts to bypass this requirement. We encourage you to make any payments of \$100,000 or more by Automated Clearing House (ACH).

What are the terms and conditions of a lease issued as a result of this sale?

- **Term of the lease:** A lease is issued for a primary term of 10 years. It continues beyond that if it has production in paying quantities. Advance rental at \$1.50 per acre or fraction of an acre for the first 5 years (\$2.00 per acre after that) is due on or before the anniversary date each year until production begins. We charge a royalty of 12.5 percent of the value of oil or gas removed or sold from a lease. You will find other lease terms on our standard lease form (Form 3100-11, October 2008).
- **Stipulations:** Some parcels are subject to surface use stipulations. They are requirements or restrictions on how you conduct operations. These stipulations are included in the parcel descriptions on the attached list. They become part of the lease and supersede any inconsistent provisions in the lease form.
- **Bid Form:** Successful bidders must submit a signed competitive lease bid form (Form 3000-2, August 2007) with their payment on the day of the auction. This form is a legally binding offer by a prospective lessee to accept a lease and all applicable terms and conditions. We recommend you get the form and complete part of it before the auction, leaving part to be filled out at the auction. Your completed bid form certifies that you are qualified to be a lessee under our regulations at 43 CFR Part 12 and Subpart 3102.5-2. It also certifies that you comply with 18 U.S.C. 1860, a law prohibiting unlawful combinations, intimidation of or collusion among bidders. Fillable bid forms are available online at:
http://www.blm.gov/es/st/en/prog/minerals/frequently_used_oil.html
- **Issuance of a lease:** We (the BLM) will issue your lease within 60 days of the sale date by signing the lease form provided you have paid your fees and rent. The effective date of a lease is the first day of the month following the month in which we sign the lease. We can make it effective the first day of the month in which we sign it, if we receive your written request before we sign the lease.

How do I file a noncompetitive over-the-counter offer after the auction?

You may be able to get a noncompetitive lease for a parcel we offered if –

- we did not withdraw it from the sale;
- it did not receive a bid; and
- it does not have a noncompetitive pre-sale offer pending.

Parcels that meet all these criteria are available on a first-come, first-served basis for two years from the date of the auction. If you want to file a noncompetitive offer for unsold parcel immediately after the sale or on the next business day, give us the items listed below under presale offers in a sealed envelope marked “Noncompetitive Offer.” We consider all noncompetitive offers that we receive on the day of the sale and the first business day after the sale as filed at the same time (simultaneously). Where an unsold parcel receives more than one simultaneous filing, we will hold a public drawing in our Public Room to determine first priority.

How do I file a noncompetitive “pre-sale” offer?

Per Federal Regulations 43 CFR 3110.1(a), you can file a noncompetitive pre-sale offer for lands that –

- are available,
- have not been under lease during the previous one-year period; or
- have not been included in a competitive lease sale within the previous two-year period.

If no bid is received on them, your pre-sale offer gives you priority over any offer filed after the auction. In the list of parcels attached to this notice, we have used an asterisk to mark any parcel that has a pending pre-sale offer. By filing a pre-sale offer, you are consenting to all terms and conditions of the lease, including any stipulations for listed on the attachment to this notice.

To file a —pre-sale offer, you must send us --:

- A standard lease form (Form 3100-11, October 2008), which is properly filled out, as required by the regulations under 43 CFR 3110;
- the first year’s advance rent in the amount of Rental \$1.50 per acre or fraction thereof; and
- a non-refundable administrative fee in the amount of \$375.00.

NOTE: You cannot file a “pre-sale offer for any of the lands included in this Notice.

Can I protest BLM’s decision to offer the lands in this Notice for lease?

Yes. Under Federal Regulations 43 CFR 3120.1-3, you may protest the inclusion of a parcel listed in this sale notice. All protests must meet the following requirements:

- We must receive a protest no later than close of business on the 15th calendar day prior to the date of the sale. If our office is not open on the 15th day prior to the date of the sale, a protest received on the next day our office is open to the public will be considered timely filed. The protest must also include any statement of reasons to support the protest. We will dismiss a late-filed protest or a protest filed without a statement of reasons.
- A protest must state the interest of the protesting party in the matter.
- You may file a protest either by mail in hardcopy form or by fax. You may not file a protest by electronic mail. A protest filed by fax must be sent to (703) 440-1551. A protest sent to a fax number other than the fax number identified or a protest filed by electronic mail will be dismissed;
- If the party signing the protest is doing so on behalf of an association, partnership or corporation, the signing party must reveal the relationship between them. For example, unless an environmental group authorizes an individual member of its group to act for it, the individual cannot make a protest in the group’s name.

If BLM receives a timely protest of a parcel advertised on this Sale Notice, how does it affect bidding on the parcel?

We will announce receipt of any protests at the beginning of the sale. We will also announce a decision to either withdraw the parcel or proceed with offering it at the sale.

If I am the high bidder at the sale for a protested parcel, when will BLM issue my lease?

We will make every effort to decide the protest within 60 days after the sale. We will issue no lease for a protested parcel until the State Director makes a decision on the protest. If the State Director denies the protest, we will issue your lease concurrently with that decision.

If I am the successful bidder of a protested parcel, may I withdraw my bid and receive a refund of my first year's rental and bonus bid?

No. In accordance with Federal Regulations (43 CFR 3120.5-3) you may not withdraw your bid.

If BLM upholds the protest, how does that affect my competitive bid?

If we uphold a protest and withdraw the parcel from leasing, we will refund your first year's rental, bonus bid and administrative fee. If the decision upholding the protest results in additional stipulations, we will offer you an opportunity to accept or reject the lease with the additional stipulations prior to lease issuance. If you do not accept the additional stipulations, we will reject your bid and we will refund your first year's rental, bonus bid and administrative fee.

If BLM's decision to uphold the protest results in additional stipulations, may I appeal that decision?

Yes. An appeal from the State Director's decision must meet the requirements of Title 43 CFR §4.411 and Part 1840.

Can I appeal BLM's decision to deny my protest?

Yes. An appeal from the State Director's decision must meet the requirements of Title 43 CFR §4.411 and Part 1840.

Can I withdraw my bid if the protestor files an appeal?

No. If the protestor appeals our decision to deny the protest, you may not withdraw your bid. We will issue your lease concurrently with the decision to deny the protest. If resolution of the appeal results in lease cancellation, we will authorize refunds of the bonus bid, rental and administrative fee, if—

- There is no evidence that the lessee(s) derived any benefit from possession of the lease during the time they held it, and;
- There is no indication of bad faith or other reasons not to refund the rental, bonus bid and administrative fee.

Where can I get copies of the BLM forms mentioned in the Notice?

Form 3100-11 (October 2008), Offer to Lease and Lease for Oil and Gas, and Form 3000-2 (August 2007), Competitive Oil and Gas or Geothermal Resources Lease Bid may be downloaded from the following Forms Central web address: <http://www.blm.gov/blmforms/>.

When is BLM-ES' next competitive sale date?

The next sale is tentatively scheduled for June 23, 2010. We will notify the public in advance should this date change.

Who should I contact if I have questions regarding this lease sale?

For more information, please contact Jennifer Spencer on (703) 440-1604 or the Information Access Center on (703) 440-1600.

/S/ Jennifer Spencer

Jennifer Spencer
Acting Supervisory Land Law Examiner
Division of Natural Resources

Enhanced Bidder Registration Form
Competitive Oil and Gas Lease Sale

By completing this form, I certify that the undersigned, or the principal party whom the undersigned is acting on behalf of, is in compliance with the applicable regulations and leasing authorities governing a bid and subsequent lease, including the qualification requirements at 30 U.S.C. 181, and 43 C.F.R. subpart 3102.

I certify that any bid I make or submit in any way is a good-faith declaration of intent by me or by my principal to acquire and to pay for an oil and gas lease on the offered lands. Further, I acknowledge that if a bid is declared the high bid, it will constitute a legally binding commitment to execute BLM Form 3000-2 and to accept the lease.

Additionally, if a bid I make or submit in any way is declared the high bid, the undersigned or the principal party will pay to the Bureau of Land Management by the close of official business hours on the day of the auction, or such other time as may be specified by the authorized officer, an amount at least equal to minimum monies owed the day of sale for that bid, as set out in applicable regulations. I acknowledge that these monies are due to the Bureau of Land Management, whether or not a lease is subsequently issued as a result of the winning bid. I understand that if payment is not received by the due date and time, the bid is rejected and the Bureau of Land Management will issue a bill for monies owed. Further, I understand that if payment is not received by the bill due date, the United States will pursue collection by all available methods, and will assess appropriate late fees, civil penalties, interest, administrative charges and penalties on past due amounts. (Federal Claims Collection Act of 1966, as amended; The Debt Collection Improvement Act of 1966; and 31 CFR 285. Debt Collection Authorities Under the Debt Collection Act of 1966).

It is a crime under 18 U.S.C. 1001 and 43 U.S.C. 1212 for any person to knowingly and willfully make any false, fictitious or fraudulent statement or representation on this form, on BLM Form 3000-2, or on any other written statement on any public land matter.

A separate registration is required for each company or individual you are representing.

Please fill in the principal's name and address as it will appear (as lessee) on any issued lease. We will send a copy of the lease and billing notices to the name and address as shown below. (NOTE: Please use the same lessee name and address information on BLM Form 3000-2.)

Bidder Number (leave blank)

Lessee Name: _____

Mailing Address: _____

City: _____

State: _____ Zip Code: _____

Bidder Name: _____ Phone number: _____
(including area code)

Relationship to lessee: _____
(Self, Agent, Attorney-in-fact, President, etc.)

Signature

Date

HOTEL INFORMATION

Holiday Inn
6401 Brandon Avenue
Springfield, Virginia
(703) 644-5555

Comfort Inn
6560 Loisdale Court
Springfield, Virginia
(703) 942-0140

Hampton Inn
6550 Loisdale Court
Springfield, Virginia
(703) 922-9000

Ramada Plaza Hotel
4641 Kenmore Avenue
Alexandria, Virginia
(703) 922-9000
Hotel shuttle to National Airport and Metro Subway

Directions to Bureau of Land Management – Eastern States:

From Washington, DC: take I-395 South through the Springfield Interchange to where I-395 becomes I-95. Continue on I-95 to Backlick/Fullerton Road Exit 167. At the light turn right onto Fullerton Road. At the third light, turn left onto Boston Boulevard (COSTCO to the left). Eastern States is approximately 0.3 miles on the right.

From Maryland: Take I-95/I-495, Capital Beltway's Inner Loop, across the Wilson Bridge to Alexandria, VA. Continue on I-95/I-495 to the I-395 Interchange; FOLLOW I-95, SOUTH, towards Richmond, VA. Take Exit 167, Backlick Road/Fullerton Road - the second exit south of the Beltway. At the FIRST Stoplight, Turn RIGHT onto Fullerton Road. At the THIRD Stoplight, Turn LEFT onto Boston Boulevard. Eastern States office (7450 Boston Boulevard) is about 0.3 miles on your right. Take either the sixth or seventh driveway to the right. Public parking is behind the building.

Traveling North I-95 in Virginia: Take I-95 NORTH, to Exit 166-B, Backlick Road/Fullerton Road, just past the fuel tank farm. Take Exit 167, to Fullerton Road - the second exit. At the FIRST Stoplight, Turn LEFT onto Fullerton Road. At the SECOND Stoplight, Turn LEFT onto Boston Boulevard. Eastern States office (7450 Boston Boulevard) is about 0.3 miles on your right. Take either the sixth or seventh driveway to the right. Public parking is available.

ALABAMA

ES-001-03/10 ALES 56200 ACQ

Alabama, Conecuh County, BLM/FFMC/Private Surface

T5N, R13E, St. Stephens Meridian

Sec. 32, N2SW, NESW, and 2 acres lying east of road in NESW.

122.00 Acres

\$183.00 Rental

Subject to BLM Stipulations

Subject to BLM Special Stipulations for Aquatic Environments, and the RedCockaded
Woodpecker

ES-002-03/10 ALES 56201 PD

Alabama, Blount County, BLM/Private Surface

T11S, R1E, Huntsville Meridian

Sec. 32, NENE.

40.70 Acres

\$61.50 Rental

Subject to BLM Stipulations

Subject to BLM Special Stipulations for Aquatic Environments, Bald Eagles, and the Louisiana
Black Bear

ES-003-03/10 ALES 56202 PD

Alabama, Blount County, BLM/Private Surface

T12S, R1W, Huntsville Meridian

Sec. 18, NWNW.

40.00 Acres

\$60.00 Rental

Subject to BLM Stipulations

Subject to BLM Special Stipulations for Aquatic Environments

ES-004-03/10 ALES 56203 PD

Alabama, Blount County, BLM/Private Surface

T12S, R2W, Huntsville Meridian

Sec. 14, SWSE, E2SW, SENW;

Sec. 36, NENE.

200.00 Acres

\$300.00 Rental

Subject to BLM Stipulations

Subject to BLM Special Stipulations for Aquatic Environments, and Bald Eagles

ES-005-03/10 ALES 56204 PD

Alabama, Blount County, BLM/Private Surface

T14S, R2E, Huntsville Meridian

Sec. 7, SWNW.

39.09 Acres

\$60.00 Rental

Subject to BLM Stipulations

Subject to BLM Special Stipulations for Aquatic Environments, and Bald Eagles

ES-006-03/10 ALES 56205 PD

Alabama, St. Clair County, BLM/Private Surface

T14S, R4E, Huntsville Meridian

Sec. 32, NWSE;

T14S, R5E,

Sec. 18, NWSW;

Sec. 36, NWNW.

120.00 Acres

\$180.00 Rental

Subject to BLM Stipulations

Subject to BLM Special Stipulations for Aquatic Environments

ES-007-03/10 ALES 56206 PD

Alabama, Lamar County, BLM/Private Surface

T15S, R15W, Huntsville Meridian

Sec. 13, SESE.

40.00 Acres

\$60.00 Rental

Subject to BLM Stipulations

ES-008-03/10 ALES 56207 PD

Alabama, Lamar County, BLM/Private Surface

T15S, R16W, Huntsville Meridian

Sec. 14, SENE;

Sec. 18, All of Fractional Section East of State Line.

57.26 Acres

\$87.00 Rental

Subject to BLM Stipulations

ES-009-03/10 ALES 56208 PD

Alabama, Shelby County, BLM/Private Surface
T18S, R1E, Huntsville Meridian
Sec. 32, SE.
154.30 Acres
\$232.50 Rental
Subject to BLM Stipulations
Subject to BLM Special Stipulations for Bald Eagles, and Bats

ES-010-03/10 ALES 56209 PD

Alabama, Tuscaloosa County, BLM/Private Surface
T18S, R10W, Huntsville Meridian
Sec. 1, SESW;
Sec. 3, NWSW;
Sec. 9, SESE;
Sec. 10, NENE;
Sec. 13, NESW, S2SE;
Sec. 23, S2NW;
Sec. 24, N2NE, SWSE;
Sec. 25, NWNE;
Sec. 27, SENE, NESE.
600.40 Acres
\$901.50 Rental
Subject to BLM Stipulations
Subject to BLM Special Stipulations for Aquatic Environments, RedCockaded Woodpecker,
Bald Eagles, and the Wood Stork

ES-011-03/10 ALES 56210 PD

Alabama, Shelby County, BLM/Private Surface
T19S, R1E, Huntsville Meridian
Sec. 8, NWNW.
37.90 Acres
\$57.00 Rental
Subject to BLM Stipulations
Subject to BLM Special Stipulations for Bald Eagles, and Bats

ES-012-03/10 ALES 56211 PD

Alabama, Shelby County, BLM/Private Surface
T19S, R2W, Huntsville Meridian
Sec. 26, S2SE;
Sec. 34, SESE.
119.80 Acres
\$180.00 Rental
Subject to BLM Stipulations
Subject to BLM Special Stipulations for Aquatic Environments, and Bald Eagles

ES-013-03/10 ALES 56212 ACQ

Alabama, Tuscaloosa County, Corps of Engineers

T21S, R9W, Huntsville Meridian

Sec. 1, Tract 103-2;

Sec. 2, Tracts 100-2, 102, 103-1, 125, 129, Pt of RR ROW cont. 2.30 ac, Parcel A in frac. NE;

Sec. 3, Tracts 100-1, 100-3.

213.01 Acres

\$321.00 Rental

Subject to BLM Stipulations

Subject to BLM Special Stipulations for Aquatic Environments, RedCockaded Woodpecker,
Bald Eagles, and Wood Stork

(Parcel Nos. ES-001 thru ES-013)

BLM Stipulations

The proposed lease is offered for competitive sale with stipulations generated through the National Environmental Policy Act and other consultations. Once awarded, the successful bidder is required to submit an Application for Permit to Drill (APD) to the BLM before any ground disturbance is authorized. In the APD, the company identifies a proposed drill site and provides the BLM with specific details on how and when they propose to drill a well within the constraints of the lease document. Upon receipt of an APD, BLM conducts an onsite inspection with the company, and when possible the private land owner or surface managing agency. An environmental assessment is prepared on the APD and in those cases where there is the potential to affect critical resources. The lessee is required, as per lease stipulation, to comply with the recommendations of these consultations. The following lease stipulations will be applied to the lease in conformance with the Alabama Record of Decision and Approved Resource Management Plan, January 2009.

Best Management Practices

BMPs are mitigation measures applied on a site-specific basis to reduce, prevent, or avoid adverse impacts. They may be incorporated as design features when actions are proposed or may be attached as conditions of approval for BLM-permitted Applications for Permit to Drill (APD) for oil and gas.

The BMPs described below will be considered mandatory and will be applied to oil and gas operations on new and existing leases. Note that the objective of each BMP is to reduce adverse impacts to specific resources, and that there is some flexibility in implementation. The degree of flexibility will vary. Application of BMPs when there is potential to affect Federally listed, proposed, or candidate species or designated critical habitat will typically require coordination and possibly formal consultation with USFWS. Examples of national environmental BMPs are listed below; other BMPs that could be applied during site-specific evaluation can be found in the *Surface Operating Standards and Guidelines for Oil and Gas Exploration and Development, Gold Book* (BLM 2006) and at <http://www.blm.gov/bmp>.

- Interim reclamation of the well and access road
- Painting of all facilities to blend into the background
- Design and construct all new roads to a safe and appropriate standard, “no higher than necessary” to accommodate intended vehicular use
- Final reclamation of all disturbed areas, including access roads, to the original or similar contour
- Raptor perch-avoidance devices on powerlines
- Burial of powerlines and flow lines in or immediately adjacent to access roads
- Centralized production facilities
- The use of submersible pumps where feasible
- Below-ground wellheads where feasible
- Multiple wells from a single well pad where feasible

- Noise-reduction techniques to reduce noise from compressors or other motorized equipment
- Seasonal restrictions on public vehicular access where there are wildlife-conflict or road damage/maintenance issues
- Avoidance of production facilities on hilltops and ridgelines

Cultural Resources and Tribal Consultation

Stipulation: This lease may be found to contain historic properties and/or resources protected under the National Historic Preservation Act (NHPA), American Indian Religious Freedom Act, Native American Graves Protection and Repatriation Act, E.O. 13007, or other statutes and executive orders. The BLM will not approve any ground disturbing activities that may affect any such properties or resources until it completes its obligations under applicable requirements of the NHPA and other authorities. *These obligations may include a requirement that you provide a cultural resources survey conducted by a professional archaeologist.* The BLM may require modification to exploration or development proposals to protect such properties, or disapprove any activity that is likely to result in adverse effects that cannot be successfully avoided, minimized or mitigated.

Disposal of Produced Water

Objective: To protect aquatic habitats for and to avoid potential impacts to special status fish, mussels, turtles, snails, plants, and migratory birds.

The preferred method for disposal of produced water will be through reinjection to a permeable formation with total dissolved solids (TDS) content higher than 10,000 milligrams per liter (mg/L) where the aquifer is not hydrologically connected to caves, wetlands, or surface water. In Alabama, the injection of produced water is regulated by the Alabama State Oil and Gas Board. In Mississippi, the injection of produced water is regulated by the Mississippi Department of Environmental Quality (MDEQ) and the Mississippi Oil and Gas Board.

If reinjection is not practicable, closed-containment treatment systems should be used to contain and treat produced water for those contaminants and sediments exceeding State standards or EPA criteria. Salt content of any surface ponds for produced water, pigging pits, or other fluids must be less than 7,500 microsiemens per centimeter ($\mu\text{S}/\text{cm}$). If surface pond salt content is greater than 7,500 $\mu\text{S}/\text{cm}$, if other bird toxicity is present, or if the surface exhibits sheen, then the ponds must be netted or covered with floating balls, or other methods must be used to exclude migratory birds.

Produced waters may be released into an impounded reservoir if there is documentation that the discharge site and affected waters do not support special status species, are not designated critical habitat, and State and Federal water quality standards/criteria are met. Produced waters may be released into a stream/river if the discharge site and affected waters have been recently surveyed and lack special status species, or if the applicant conducts approved surveys documenting the absence of special status species, State and Federal water quality standards/criteria are met, and a National Pollution Discharge Elimination System

(NPDES) permit is obtained. The applicant should be aware that some species can be surveyed only during certain times of the year.

Produced waters may be released into a stream/river if the applicant can document that the produced waters would not adversely affect special status species. Water quality tests would be conducted on stream segment(s) or other locations proposed as discharge points, volumes to be released, and any settling ponds or other treatments proposed to improve wastewater quality. The water quality test data, any monitoring proposed, and other available information about general coalbed methane effluent characteristics (from published or unpublished literature) shall be reviewed by USFWS. Information about timing of the releases in relation to low water and other planned BMPs would also be required. Testing would include analysis of the discharge site and affected waters for chemical oxygen demand (COD), conductivity, total suspended solids (TSS), As, Hg, Se, and polycyclic aromatic hydrocarbons (PAH). Dissolved oxygen and ammonia standards/criteria must be met in bottom waters if they support listed benthic or epibenthic species. If a special status species has been documented to be more sensitive than State/Federal standards/criteria, site-specific standards for that species may be imposed. Calculations would be based on State standards (or Federal CCC criteria for protection of freshwater aquatic life when the State has not determined a standard for these parameters).

Endangered Species

Stipulation: The lease area may now or hereafter contain plants, animals, or their habitats determined to be threatened, endangered, or other special status species. BLM may recommend modifications to exploration and development proposals to further its conservation and management objective to avoid BLM-approved activity that will contribute to a need to list such a species or their habitat. BLM may require modifications to or disapprove proposed activity that is likely to result in jeopardy to the continued existence of a proposed or listed threatened or endangered species or result in the destruction or adverse modification of a designated or proposed critical habitat. BLM will not approve any ground-disturbing activity that may affect any such species or critical habitat until it completes its obligations under applicable requirements of the Endangered Species Act as amended, 16 U.S.C. ' 1531 et seq., including completion of any required procedure for conference or consultation.

Exception: None

Modification: None

Waiver: None

Invasive and Non-Native Species

Objective: To discourage the spread of invasive, non-native plants.

Use of native or non-invasive cover plants in seeding mixtures will be encouraged to stabilize disturbed areas and during restoration activities. In the case of split-estate land, final seed mixtures will be formulated in consultation with the private landowner

Migratory Birds and Federally Listed Wildlife

Objective: To protect perch and roosting sites and terrestrial habitats for and to avoid potential impacts to migratory birds and federally listed wildlife.

Any reserve pit that is not closed within 10 days after a well is completed and that contains water must be netted or covered with floating balls, or another method must be used to exclude migratory birds.

Maximum design speed on all operator-constructed and maintained (non-public) roads shall not exceed 25 miles per hour to minimize the chance of a collision with migratory birds or other listed wildlife species.

All powerlines must be built to protect raptors and other migratory birds, including bald eagles, from accidental electrocution, using methods detailed by the Avian Power Line Interaction Committee (APLIC 2006)

Perching and Nesting Birds and Bats

Objective: To prevent birds and bats from entering or nesting in or on open vent stack equipment.

Open vent stack equipment, such as heater-treaters, separators, and dehydrator units, will be designed and constructed to prevent birds and bats from entering or nesting in or on such units and, to the extent practical, to discourage birds from perching on the stacks. Installing cone-shaped mesh covers on all open vents is one suggested method. Flat mesh covers are not expected to discourage perching and will not be acceptable.

Pesticide Application

Objective: To protect the water quality of watersheds and natural stream substrate and morphology supporting special status species and their host species.

Any ground application of herbicides or other pesticides, sterilants, or adjuvants within 150 feet of listed species or habitat will require site-specific control measures developed in coordination or formal consultation with USFWS. No aerial application of herbicides or pesticides will be permitted.

Sensitive Plant Species

Stipulation (CSU): All suitable special status plant species habitat will be identified during environmental review of any proposed surface use activity. If field examination indicates that habitat of one or more of these species is present, BLM will require a survey by a qualified botanist for special status plants during time periods appropriate to each species. Operations will not be allowed in areas where sensitive plants would be affected.

Objective: To protect threatened, endangered, candidate, proposed, and BLM Sensitive Plant Species.

Exception: An exception may be granted if the operator agrees to implement measures developed in consultation with USFWS and coordination with state agencies.

Modification: The stipulation may be modified if it is determined that a portion of the lease area does not support sensitive plant species.

Waiver: The stipulation may be waived if it is determined that the lease area does not support sensitive plant species.

(Parcel Nos. ES-001 thru ES-006, ES-010, ES-012, ES-013)

BLM Special Stipulations

Aquatic Environments

Stipulation (NSO): No surface occupancy or disturbance, including discharges, are permitted within 250 feet of a river, stream, wetland spring, headwaters, wet meadows, wet pine savannas, pond, tributary, lake, coastal slough, sand bars, vernal pools on granite outcrops, calcareous seepage marshes, brackish marshes, saltmarsh or small, marshy calcareous streams.

Objective: To protect water quality of watersheds and natural stream substrate and morphology and to avoid potential impacts to federal and state-listed aquatic species.

Exception: An exception may be granted if the operator agrees to 1) span creeks and floodplains by attaching pipelines to bridges or 2) directionally drill under creeks, rivers, and other waters supporting listed species, 3) implement other measures developed in consultation with USFWS and coordination with state agencies.

Modification: The buffer may be reduced if the adjacent waterway has been surveyed for 100 yards upstream and 300 yards downstream of the site, and results document the lack of suitable/occupied habitat for special status species within the mixing zone downstream of the project, as determined by BLM and USFWS.

Waiver: The stipulation may be waived if it is determined that the lease area has no hydrological connection to habitat of sensitive aquatic species.

(Parcel Nos. ES-001, ES-010, ES-013)

BLM Special Stipulations

Red-Cockaded Woodpecker

Lease Notice - Prior to activity in suitable red-cockaded woodpecker foraging habitat (cover at least 50% pine trees over 10 inches in diameter and at least 30 years old) or nesting habitat (pines at least 60 years old and 10 inches in diameter), the applicant will conduct a survey of suitable habitat within ½ mile of the project according to protocols described in the updated Red-cockaded Woodpecker Recovery Plan, *Second Revision* completed by U.S. Fish and Wildlife Service in 2003. If red-cockaded woodpeckers are found a biological assessment will be completed and the project modified as needed to ensure that there is “no adverse affect” with concurrence from the Lafayette Ecological Services Office of the U.S. Fish and Wildlife Service.

Stipulation (NOS): No surface occupancy or disturbance within 0.5 mile of a red-cockaded woodpecker cluster, defined as the area containing all active and inactive cavity trees, plus a 200-foot buffer zone surrounding that area. Vehicle use is prohibited within a cluster except for through-travel on existing, maintained, paved roads.

Objective: To protect red-cockaded woodpecker nest sites from disturbance and habitat degradation.

Exception: An exception may be granted to allow surface occupancy within one-half mile of a cluster if the operator agrees to measures developed in consultation with USFWS and in coordination with state agencies.

Modification: This stipulation may be modified if a portion of the stipulated area no longer within the one-half mile buffer zone.

Waiver: This stipulation may be waived if no cluster can be identified within one-half mile of the leased tract.

(Parcel Nos. ES-002, ES-004, ES-005, ES-009 thru ES-013)

BLM Special Stipulations

Bald Eagle

Stipulation (NSO): No surface occupancy or disturbance will be permitted within a 660-foot buffer zone around active or inactive bald eagle nests and communal roost sites.

Objective: To avoid impact to nesting eagles, including impact to courtship and nesting behavior, egg laying and incubation, and feeding and fledging activity.

Exception: An exception may be granted if the operator agrees to implement measures developed in consultation with USFWS and appropriate State agencies.

Modification: This stipulation may be modified to remain consistent with Federal or State guidelines or if a portion of the stipulated area is no longer within the 660-foot buffer zone (1,500-foot buffer zone in LA).

Waiver: This stipulation may be waived if no suitable nest sites are within 660 feet (1,500 feet in LA) of any portion of the leased tract or if documented evidence can be provided that an inactive nest within 660 feet (1,500 feet in LA) has not been used for at least 5 years.

Bald Eagle

Stipulation (NSO): No surface occupancy shall be permitted within 660 feet of an active or alternate Bald Eagle nest.

Objective: To avoid impacts to nesting eagles, including courtship and nesting behavior, egg laying and incubation, and feeding and fledging activity.

Exception: An exception may be granted for disturbance outside of the nesting season (nesting season is from December 1 through August 1) if the operator agrees to implement measures developed in consultation with the USFWS and in coordination with state agencies.

Exception: An exception may be granted if the nest has not been used for at least 5 years.

Modification: The distance may be reduced to 330 feet, or as close as the existing tolerated activity of similar scope for activities outside of the nesting season if there is similar activity within a mile of the proposed well site and the activity will not be visible from the nest site.

Waiver: The stipulation may be waived if no nest sites are identified on or within 660 feet of the leased tract.

Bald Eagle

Stipulation (CSU): BLM-permitted projects will not remove trees suitable for nesting within a 0.5-mile buffer zone around active or inactive bald eagle nests and communal roost sites.

Objective: To protect foraging habitat, promote nest fidelity, and maintain habitat integrity around bald eagle nests and communal roosting sites.

Exception: An exception may be granted if the operator agrees to implement measures developed in consultation with USFWS and in coordination with State agencies.

Modification: This stipulation may be modified to remain consistent with Federal and State guidelines or if a portion of the stipulated area is no longer within the 0.5-mile buffer zone.

Waiver: This stipulation may be waived if no nest or communal roosting site can be identified within 0.5 miles of the leased tract or if the applicant can document that no sites have been used by bald eagles for 5 consecutive years.

(Parcel Nos. ES-010, ES-013)

BLM Special Stipulations

Wood Stork

Stipulation (NSO): No construction activities will be permitted within 250 feet of wetlands that serve as roosting and foraging habitat for wood stork.

Objective: To minimize harassment of wood storks during foraging.

Exception: An exception may be granted if the operator agrees to implement measures developed in consultation with the USFWS and in coordination with state agencies.

Modification: None

Waiver: This stipulation may be waived if no wetlands exist on the tract.

(Parcel Nos. ES-002)

BLM Special Stipulations

Louisiana Black Bear

Stipulation (NSO): No surface disturbance, including removal of potential den trees, is permitted within a 1,500-foot buffer around den trees in occupied bottomland hardwood and floodplain forest habitats.

Objective: To protect Louisiana black bear denning and foraging habitat.

Exception: An exception may be granted if the operator agrees to implement measures developed in coordination with USFWS and appropriate state agencies.

Modification: Temporary surface use may be permitted if the USFWS concurs that the action would not adversely affect Louisiana black bear or suitable habitat.

Waiver: This stipulation may be waived if the tract does not contain suitable Louisiana black bear habitat.

(Parcel Nos. ES-009, ES-011)

BLM Special Stipulations

Bats

Stipulation (NSO): No surface occupancy or disturbance is permitted within 0.5 miles of an Indiana or gray bat summer roost or gray bat wintering cave hibernacula.

Objective: To prevent fatal disturbance during summer nursery roosting or winter hibernation.

Exception: An exception may be granted if the operator agrees to implement measures developed in coordination with USFWS and appropriate state agencies. Formal consultation with USFWS may be required if determined necessary to protect species and associated habitat.

Modification: This stipulation may be modified if the project does not adversely Indiana or gray bat summer roost or gray bat wintering cave hibernacula with concurrence from Fish and Wildlife Service and the appropriate state agencies.

Waiver: This stipulation may be waived if the lease is not within 0.5 miles of an Indiana or gray bat summer roost or gray bat wintering cave hibernacula

Bats

Stipulation (CSU): A BLM-permitted action will not remove shagbark hickory trees or snags within 1.5 miles of an Indiana bat hibernacula.

Objective: To prevent fatal disturbance during summer nursery roosting or winter hibernation.

Exception: An exception may be granted if the operator agrees to implement measures developed in coordination with USFWS and appropriate state agencies. Formal consultation with USFWS may be required if determined necessary to protect species and associated habitat.

Modification: None.

Waiver: None.

Karst Habitat within Gray Bat or Indiana Bat Range

Stipulation (NSO): No surface occupancy or disturbance permitted within 250 feet of caves, fractures, large sinkholes, and perennial or intermittent streams in or adjacent to counties with documented gray or Indiana bat populations.

Objective: To prevent any impact to hydrologic networks connected to cave habitats and to protect flight paths and food sources for the bat.

Exception: An exception may be granted if the operator agrees to implement measures developed in coordination with USFWS and appropriate state agencies. Formal consultation with USFWS may be required if determined necessary to protect species and associated habitat.

Modification: This stipulation may be modified if a portion of the stipulated area is found to no longer be within the 250 foot buffer zone.

Waiver: This stipulation may be waived if no portion of the leased area is within the 250 foot buffer zone.

Karst Geology

Stipulation (CSU): Injection or disposal of produced water or water withdrawal will not be allowed into identified karstic habitat or any hydrologic network connected to caves used by the bats or other listed cave species.

Objective: To prevent any impact to hydrologic networks connected to bat caves and flight paths to protect food sources for the bat.

Exception: An exception may be granted if the operator agrees to implement measures developed in coordination with USFWS and appropriate state agencies. Formal consultation with USFWS may be required if determined necessary to protect species and associated habitat.

Modification: The stipulation may be modified if a portion of the stipulated area is not in karstic habitat or a hydrologic network connected to caves used by the bats.

Waiver: The stipulation may be waived if none of the lease area is karstic habitat or is not hydrologically connected to caves used by the bats.

OUACHITA NATIONAL FOREST, ARKANSAS

ES-014-03/10 ARES 56213 PD

Arkansas, Scott County, Ouachita NF
T2N, R29W, 5th Principal Meridian
Sec. 14, S2SE;
Sec. 22, N2NW;
Sec. 23, NESW, SENW.
240.00 Acres
\$360.00 Rental
Subject to F.S. Notice to Lessee No. 3 & 4
Subject to F.S. Controlled Surface Use Stipulation #1

ES-015-03/10 ARES 56214 PD

Arkansas, Scott County, Ouachita NF
T2N, R29W, 5th Principal Meridian
Sec. 17, SE;
Sec. 20, NE, SW;
Sec. 21, N2SW, SWSW.
600.00 Acres
\$900.00 Rental
Subject to F.S. Notice to Lessee No. 3 & 4
Subject to F.S. Controlled Surface Use Stipulation #1

ES-016-03/10 ARES 56215 PD

Arkansas, Scott County, Ouachita NF
T2N, R29W, 5th Principal Meridian
Sec. 32, NWNE;
Sec. 33, S2SW, SWSE;
Sec. 34, NESE.
200.00 Acres
\$300.00 Rental
Subject to F.S. Notice to Lessee No. 3 & 4
Subject to F.S. Controlled Surface Use Stipulation #1

ES-017-03/10 ARES 56216 ACQ

Arkansas, Scott County, Ouachita NF
T2N, R29W, 5th Principal Meridian
Sec. 14, S2SW;
Sec. 15, N2, SW, NESE, S2SE.
680.00 Acres
\$1,020.00 Rental
Subject to F.S. Notice to Lessee No. 3 & 4
Subject to F.S. Controlled Surface Use Stipulation #1

ES-018-03/10 ARES 56217 ACQ

Arkansas, Scott County, Ouachita NF
T2N, R29W, 5th Principal Meridian
Sec. 16, All;
Sec. 17, S2NE, SW.
880.00 Acres
\$1,320.00 Rental
Subject to F.S. Notice to Lessee No. 3 & 4
Subject to F.S. Controlled Surface Use Stipulation #1

ES-019-03/10 ARES 56218 ACQ

Arkansas, Scott County, Ouachita NF
T2N, R29W, 5th Principal Meridian
Sec. 19, N2, SW, N2SE, SWSE;
Sec. 20, NW, SE.
914.45 Acres
\$1,372.50 Rental
Subject to F.S. Notice to Lessee No. 3 & 4
Subject to F.S. Controlled Surface Use Stipulation #1

ES-020-03/10 ARES 56219 ACQ

Arkansas, Scott County, Ouachita NF
T2N, R29W, 5th Principal Meridian
Sec. 19, SESE;
Sec. 29, NWNW;
Sec. 30, NENE.
120.00 Acres
\$180.00 Rental
50% U.S. Mineral Interests
Subject to F.S. Notice to Lessee No. 3 & 4
Subject to F.S. Controlled Surface Use Stipulation #1

ES-021-03/10 ARES 56220 ACQ

Arkansas, Scott County, Ouachita NF
T2N, R29W, 5th Principal Meridian
Sec. 21, N2, SE, SESW;
Sec. 22, S2N2, N2S2, S2SE, SWSW;
Sec. 23, W2W2, NENW, NWNE, SESW, S2SE.
1,320.00 Acres
\$1,980.00 Rental
Subject to F.S. Notice to Lessee No. 3 & 4
Subject to F.S. Controlled Surface Use Stipulation #1

ES-022-03/10 ARES 56221 ACQ

Arkansas, Scott County, Ouachita NF
T2N, R29W, 5th Principal Meridian
Sec. 27, NW, S2S2, NWNE;
Sec. 28, All.
1,000.00 Acres
\$1,500.00 Rental
Subject to F.S. Notice to Lessee No. 3 & 4
Subject to F.S. Controlled Surface Use Stipulation #1

ES-023-03/10 ARES 56222 ACQ

Arkansas, Scott County, Ouachita NF
T2N, R29W, 5th Principal Meridian
Sec. 29, NE, E2NW, SWNW, S2;
Sec. 30, NWNE, S2NE, NW, S2.
1,193.60 Acres
\$1,791.00 Rental
Subject to F.S. Notice to Lessee No. 3 & 4
Subject to F.S. Controlled Surface Use Stipulation #1

ES-024-03/10 ARES 56223 ACQ

Arkansas, Scott County, Ouachita NF
T2N, R29W, 5th Principal Meridian
Sec. 31, All;
Sec. 32, E2NE, SWNE, NW, S2.
1,228.42 Acres
\$1,843.50 Rental
Subject to F.S. Notice to Lessee No. 3 & 4
Subject to F.S. Controlled Surface Use Stipulation #1

ES-025-03/10 ARES 56224 ACQ

Arkansas, Scott County, Ouachita NF
T2N, R29W, 5th Principal Meridian
Sec. 33, NW, N2NE, N2SW;
Sec. 34, N2.
640.00 Acres
\$960.00 Rental
Subject to F.S. Notice to Lessee No. 3 & 4
Subject to F.S. Controlled Surface Use Stipulation #1

ES-026-03/10 ARES 56225 PD

Arkansas, Scott County, Ouachita NF
T3N, R28W, 5th Principal Meridian
Sec. 11, That part of Tract X-67 lying in the S2SE;
Sec. 12, SESE.
80.03 Acres
\$121.50 Rental
Subject to F.S. Notice to Lessee No. 3 & 4

ES-027-03/10 ARES 56226 PD

Arkansas, Scott County, Ouachita NF
T3N, R28W, 5th Principal Meridian
Sec. 34, S2NE, S2S2, NESE.
280.00 Acres
\$420.00 Rental
Subject to F.S. Notice to Lessee No. 3 & 4
Subject to F.S. Controlled Surface Use Stipulation #1

ES-028-03/10 ARES 56227 PD

Arkansas, Scott County, Ouachita NF
T3N, R28W, 5th Principal Meridian
Sec. 35, N2, SW, N2SE, SESE.
600.00 Acres
\$900.00 Rental
Subject to F.S. Notice to Lessee No. 3 & 4
Subject to F.S. Controlled Surface Use Stipulation #1

ES-029-03/10 ARES 56228 PD

Arkansas, Scott County, Ouachita NF
T3N, R28W, 5th Principal Meridian
Sec. 36, N2, N2SW, SWSW, NWSE, SESE.
520.00 Acres
\$780.00 Rental
Subject to F.S. Notice to Lessee No. 3 & 4
Subject to F.S. Controlled Surface Use Stipulation #1

ES-030-03/10 ARES 56229 ACQ *(ARES 51129)

Arkansas, Scott County, Ouachita NF
T3N, R28W, 5th Principal Meridian
Sec. 15, Tract A-1682 in SENE
18.03 Acres
\$28.50 Rental
Subject to F.S. Notice to Lessee No. 4

OUACHITA NATIONAL FOREST
T2N, R29W, 5th Principal Meridian

CONTROLLED SURFACE USE STIPULATION #1

Surface occupancy or use is subject to the following special operating constraints:

Management Area 22 – Renewal of Shortleaf Pine and Bluestem Grass ecosystem and Red-Cockaded Woodpecker (RCW): Activities must be conducted in such a manner as to reasonably reduce visibility of the operation and meet visual quality and other Management Area objectives to the extent practical. .

On the lands described below:

T2N R29W

All Sections

For the purpose of:

To meet Management Area 22 Forest Plan objectives; Ouachita National Forest Revised Forest Plan 9/23/2005, as amended and Final EIS. RFP Design Criteria RS003.

Any changes to this stipulation will be made in accordance with the Ouachita National Forest Land and Resource Management Plan, as amended, and/or the regulatory provisions for such changes. (For guidance on the use of of this stipulation, see BLM Manual 1624 and 3101 or FS manual 1950 and 2820).

OUACHITA NATIONAL FOREST
T3N, R28W, 5th Principal Meridian

CONTROLLED SURFACE USE STIPULATION #1

Surface occupancy or use is subject to the following special operating constraints:

Management Area 22 – Renewal of Shortleaf Pine and Bluestem Grass ecosystem and Red-Cockaded Woodpecker (RCW): Activities must be conducted in such a manner as to reasonably reduce visibility of the operation and meet visual quality and other Management Area objectives to the extent practical.

On the lands described below:

T3N R28W

Sections 33, 34, 35, and 36

For the purpose of:

To meet Management Area 22 Forest Plan objectives; Ouachita National Forest Revised Forest Plan 9/23/2005, as amended and Final EIS. RFP Design Criteria RS003.

Any changes to this stipulation will be made in accordance with the Ouachita National Forest Land and Resource Management Plan, as amended, and/or the regulatory provisions for such changes. (For guidance on the use of of this stipulation, see BLM Manual 1624 and 3101 or FS manual 1950 and 2820).

OUACHITA NATIONAL FOREST

LEASE NOTICE #3

All or part of the leased lands may contain animal or plant species classified under the Endangered Species Act of 1973, as amended. Other species may have been identified as sensitive in accordance with Forest Service Manual 2670 and be listed on the current Regional Forester's List of Sensitive Plant and Animal Species. Further information concerning the classification of these species may be obtained from the authorized Forest Officer.

Exploration and development proposals may be limited or modifications required if activity is planned within the boundaries of a threatened, endangered or sensitive plant or animal species location as it then exists. All activities within these areas must be conducted in accordance with existing laws, regulations and the Forest Land and Resource Management Plan guidelines.

OUACHITA NATIONAL FOREST

LEASE NOTICE #4

All or part of the leased lands may be classified as wetlands in accordance with Executive Order 11990, "Protection of Wetlands" or a floodplain in accordance with Executive Order No. 11988, "Floodplain Management." Additional management requirements for the protection of riparian areas are contained in 36 CFR 219.27(e) and the National Forest Management Act of 1976.

All activities within these areas may require special measures to mitigate adverse impacts to the resource values. They must comply with the above referenced executive orders, regulations, laws and be in accordance with the Forest Land and Resource Management Plan guidelines.

Further information concerning the classification and management of these lands may be obtained from the authorized Forest Officer.

OZARK NATIONAL FOREST, ARKANSAS

ES-031-03/10 ARES 56230 ACQ

Arkansas, Pope County, Ozark NF
T11N, R17W, 5th Principal Meridian
Sec. 30, S2SWSW.
20.755 Acres
\$31.50 Rental
Subject to F.S. Notice to Lessee No. 3 & 4
Subject to F.S. Controlled Surface Use Stipulation No. 1 & 1B

ES-032-03/10 ARES 56231 ACQ

Arkansas, Pope County, Ozark NF
T11N, R17W, 5th Principal Meridian
Sec. 31, NWNW.
41.70 Acres
\$63.00 Rental
Subject to F.S. Notice to Lessee No. 3 & 4
Subject to F.S. Controlled Surface Use Stipulation No. 1 & 1B

ES-033-03/10 ARES 56232 ACQ

Arkansas, Van Buren County, Ozark NF
T11N, R17W, 5th Principal Meridian
Sec. 33, W2SW, NESE.
120.00 Acres
\$180.00 Rental
Subject to F.S. Notice to Lessee No. 3 & 4
Subject to F.S. Controlled Surface Use Stipulation No. 1

ES-034-03/10 ARES 56233 ACQ

Arkansas, Van Buren County, Ozark NF
T11N, R17W, 5th Principal Meridian
Sec. 34, S2SE.
80.00 Acres
\$120.00 Rental
Subject to F.S. Notice to Lessee No. 3 & 4
Subject to F.S. Controlled Surface Use Stipulation No. 1 & 1A
Future Interest Minerals
(Reservation expires September 18, 2011)

CONTROLLED SURFACE USE STIPULATION #1

OZARK (AR)

Surface occupancy or use is subject to the following special operating constraints.

Activities must be conducted in such a manner as to protect Oak Savannah/Woodland Management Areas.

On the acquired lands described below:

T11N, R17W, Fifth PM

- Section 25: E2NE, NWNE, NENW
- Section 26: S2NWSWNE, N2SWSWNE, SESWNE, S2SENE, NENW, N2SENE, NESESENE
- Section 27: SWNE, W2NW, NWSW, S2SW, W2SE, SESE
- Section 28: N2, N2SW, SWSW, N2SE, SWSE, N2SESE, SWSESE
- Section 29: N2NE, E2NW, part of SWNW, NWNWNWSW, E2NWNWSW, E2NWSW, E2SW, NWSE, SESE, part of SWNW
- Section 30: E2SENE, part of the NWSESW, S2SESW, NESESW, S2SWSW
- Section 31: N2NE, NWNW, NENW, SWNW, W2SW, NESE
- Section 32: N2, N2SW, N2SE, SESE
- Section 33: W2SW, NESE, NWNENE, N2NWNE
- Section 34: N2, NWSW, S2S2
- Section 35: S2NE, NENE, E2NWNE, N2NW, N2SW, SWSW, SWSE
- Section 36: W2NWNW, N2SE, SESE

For the purpose of:

Meeting the Forest Management Direction of Chapter 2, pages 30-31 of the Ozark-St. Francis National Forests Land & Resource Management Plan effective January 2006.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes.

CONTROLLED SURFACE USE STIPULATION #1A

OZARK (AR)

Surface occupancy or use is subject to the following special operating constraints.

Activities must be conducted in such a manner as to protect the inherent ecological processes and functions of the associated aquatic, riparian, and upland components within riparian corridors.

On the acquired lands described below:

T11N, R17W, Fifth PM

Section 6: E2SWNE, W2SE

Section 7: N2NENWNE, SWNENWNE, E2NWNWNE, E2SWNWNE,
W2SENWNE, SWNE, SWSESW, W2SE

Section 26: S2NWSWNE, N2SWSWNE, SESWNE, NENW, NESENW, S2SENE

Section 27: E2SWNW, E2W2SW, W2SESW

Section 32: S2SENE, E2NWSE, NWNESE

Section 34: W2NENW, E2NWNW, S2SWNW, NESWNW, W2SENW, SESW,
SWSWSE

For the purpose of:

Meeting the Forest Management Direction of Chapter 2, pages 30-31 of the Ozark-St. Francis National Forests Land & Resource Management Plan effective January 2006.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes.

CONTROLLED SURFACE USE STIPULATION NO. #1B

OZARK (AR)

For the purpose of compliance with the Order(s) of the District Court for the Northern District of California issued in *People of the State of California ex rel. Bill Lockyer, v. United States Department of Agriculture*, No. C05-03508 EDL consolidated with *The Wilderness Society v. United States Forest Service*, No. C05-04038 EDL (reinstating 36 CFR 294, Subpart B (2001) (Protection of Inventoried Roadless Areas) (hereinafter the “2001 Rule”)):

Surface occupancy or use is subject to the following special operating constraints:

No new temporary roads, permanent roads, road construction or reconstruction (as defined in 36 CFR 294.11) may occur within the acquired lands described below:

T11N, R17W, Fifth PM

Section 7: SESW, W2NWSE

Section 19: NW

Section 30: E2SENW

Section 31: SWNW, W2SW

This stipulation may be changed in accordance with 43 CFR 3101.1-4 and any other applicable provisions. This stipulation will cease to apply in the event the District Court's Order reinstating the 2001 Rule is reversed, the 2001 Rule is set aside, or if the Forest Service determines that other events have caused the 2001 Rule to no longer be in effect or applicable to the lands within the leasehold.

LEASE NOTICE NO. 3

OZARK (AR)

All or part of the leased lands may contain animal or plant species classified under the Endangered Species Act of 1973, as amended. Other species may have been identified as sensitive in accordance with Forest Service Manual 2670 and be listed on the correct Regional Forester's List of Sensitive Plant and Animal Species. Further information concerning the classification of these species may be obtained from the authorized Forest Officer.

Exploration and development proposals may be limited or modifications required if activity is planned within the boundaries of a threatened, endangered or sensitive plant or animal species location as it then exists. All activities within these areas must be conducted in accordance with existing laws, regulations and the Forest Land and Resource Management Plan guidelines.

Lands in T11N, R17W, 5th Principal Meridian

LEASE NOTICE #4

OZARK (AR)

All or part of the leased lands may be classified as wetlands in accordance with Executive Order 11990, "Protection of Wetlands" or a floodplain in accordance with Executive Order No. 11988, "Floodplain Management." Additional management requirements for the protection of riparian areas are contained in 36 CFR 219.27(e) and the National Forest Management Act of 1976.

All activities within these areas may require special measures to mitigate adverse impacts to the resource values. They must comply with the above referenced executive orders, regulations, laws and be in accordance with the Forest Land and Resource Management Plan guidelines.

Further information concerning the classification and management of these lands may be obtained from the authorized Forest officer.

Lands in T11N, R17W, 5th Principal Meridian

KISATCHIE NATIONAL FOREST, LOUISIANA

ES-035-03/10 LAES 56234 ACQ

Louisiana, Grant Parish, Kisatchie N.F.

T8N, R1W, Louisiana Meridian

Sec. 28, SESE.

40.00 Acres

\$60.00 Rental

Subject to F.S. Lease Notice No. 3

Subject to F.S. Controlled Surface Use Stipulation No. 1 & 2

ES-036-03/10 LAES 56235 ACQ

Louisiana, Winn Parish, Kisatchie NF

T12N, R5W, Louisiana Meridian

Sec. 28, NESE.

39.61 Acres

\$55.50 Rental

Subject to F.S. Lease Notice No. 3

Subject to F.S. Controlled Surface Use Stipulation No. 1 & 2

ES-037-03/10 LAES 56236 ACQ

Louisiana, Winn Parish, Kisatchie NF

T12N, R5W, Louisiana Meridian

Sec. 29, SW, S2NW.

239.92 Acres

\$360.00 Rental

Subject to F.S. Lease Notice No. 3

No Surface Use Stipulation

Subject to F.S. Controlled Surface Use Stipulation No. 1 & 2

ES-038-03/10 LAES 56237 ACQ

Louisiana, Winn Parish, Kisatchie NF

T12N, R5W, Louisiana Meridian

Sec. 35, NWNE, S2NE, S2, E2NW.

510.67 Acres

\$766.50 Rental

Subject to F.S. Lease Notice No. 3 & 4

No Surface Use Stipulation

Subject to F.S. Controlled Surface Use Stipulation No. 1 & 2

ES-039-03/10 LAES 56238 ACQ

Louisiana, Winn Parish, Kisatchie NF

T12N, R6W, Louisiana Meridian

Sec. 3, SESE.

40.08 Acres

\$61.50 Rental

Subject to F.S. Lease Notice No. 3

Subject to F.S. Controlled Surface Use Stipulation No. 1

ES-040-03/10 LAES 56239 ACQ

Louisiana, Winn Parish, Kisatchie NF

T12N, R6W, Louisiana Meridian

Sec. 13, W/2E/2NENW, W/2NENW.

30.44 Acres

\$46.50 Rental

Subject to F.S. Lease Notice No. 3

Subject to F.S. Controlled Surface Use Stipulation No. 1

ES-041-03/10 LAES 56240 ACQ

Louisiana, Winn Parish, Kisatchie NF

T12N, R6W, Louisiana Meridian

Sec. 23, All less & except 12.40 ac. in RR ROW in N/2N/2.

634.84 Acres

\$952.50 Rental

Subject to F.S. Lease Notice No. 3

Subject to F.S. Controlled Surface Use Stipulation No. 1 & 2

ES-042-03/10 LAES 56241 ACQ

Louisiana, Winn Parish, Kisatchie NF

T12N, R6W, Louisiana Meridian

Sec. 24, E/2SWNE.

20.24 Acres

\$31.50 Rental

Subject to F.S. Lease Notice No. 3

Subject to F.S. Controlled Surface Use Stipulation No. 1

ES-043-03/10 LAES 56242 ACQ

Louisiana, Winn Parish, Kisatchie NF

T13N, R5W, Louisiana Meridian

Sec. 5, SWNW, NWSW, N2SWSW.

99.41 Acres

\$150.00 Rental

Subject to F.S. Lease Notice No. 3

Subject to F.S. Controlled Surface Use Stipulation No. 1

ES-044-03/10 LAES 56243 ACQ

Louisiana, Winn Parish, Kisatchie NF

T13N, R5W, Louisiana Meridian

Sec. 6, NESE, E/2NESESE.

45.56 Acres

\$69.00 Rental

Subject to F.S. Lease Notice No. 3

Subject to F.S. Controlled Surface Use Stipulation No. 1

ES-045-03/10 LAES 56244 ACQ

Louisiana, Winn Parish, Kisatchie NF

T13N, R5W, Louisiana Meridian

Sec. 13, S2NENE.

19.90 Acres

\$30.00 Rental

Subject to F.S. Lease Notice No. 3

Subject to F.S. Controlled Surface Use Stipulation No. 1 & 2

ES-046-03/10 LAES 56245 ACQ

Louisiana, Winn Parish, Kisatchie NF

T13N, R5W, Louisiana Meridian

Sec. 19, E2NW, SWNW, NESE.

159.92 Acres

\$240.00 Rental

Subject to F.S. Lease Notice No. 3

No Surface Use Stipulation

Subject to F.S. Controlled Surface Use Stipulation No. 1 & 2

ES-047-03/10 LAES 56246 ACQ

Louisiana, Winn Parish, Kisatchie NF

T13N, R5W, Louisiana Meridian

Sec. 29, Part of the W/2 lying west of the creek.

150.00 Acres

\$225.00 Rental

Subject to F.S. Lease Notice No. 3

No Surface Use Stipulation

ES-048-03/10 LAES 56247 ACQ

Louisiana, Winn Parish, Kisatchie NF

T13N, R5W, Louisiana Meridian

Sec. 34, 5 acres in the N/2NWNWNW.

5.00 Acres

\$7.50 Rental

Subject to F.S. Lease Notice No. 3

ES-049-03/10 LAES 56248 ACQ

Louisiana, Winn Parish, Kisatchie NF

T13N, R5W, Louisiana Meridian

Sec. 20, S/2NESW, S/2NWSE.

39.93 Acres

\$60.00 Rental

50% U.S. Mineral Interests

Subject to F.S. Lease Notice No. 3

Subject to F.S. Controlled Surface Use Stipulation No. 1

KISATCHIE NATIONAL FOREST

LEASE NOTICE #3

All or part of the leased lands may contain animal or plant species classified under the Endangered Species Act of 1973, as amended. Other species may have been identified as sensitive in accordance with Forest Service Manual 2670 and be listed on the current Regional Forester's list of sensitive plant and animal species. Further information concerning the classification of these species may be obtained from the authorized Forest Officer. Exploration and development proposals may be limited or modifications required if activity is planned within the boundaries of a threatened, endangered or sensitive plant or animal species location as it then exists. All activities within these areas must be conducted in accordance with existing laws, regulations and the Forest Land and Resource Management Plan guidelines.

LEASE NOTICE # 4

All or part of the leased lands may be classified as wetlands in accordance with Executive Order 11990, "Protection of Wetlands" or a floodplain in accordance with Executive Order No. 11988, "Floodplain Management." Additional management requirements for the protection of riparian areas are contained in 36 CFR 219.72 (e) and the National Forest Management Act of 1976. All activities within these areas may require special measures to mitigate adverse impacts to the resource values. They must comply with the above referenced executive orders, regulations, laws and be in accordance with the Forest Land and Resource Management Plan guidelines.

Further information concerning the classification and management of these lands may be obtained from the authorized Forest Officer.

KISATCHIE NATIONAL FOREST

T8N, R1W, Louisiana Meridian

CONTROLLED SURFACE USE STIPULATION #1

Surface occupancy or use is subject to the following operating constraints.

Placement of mineral extraction equipment, buildings, roads, ponds, and wellpads and the clearing of pipeline right-of-way vegetation are prohibited.

T8N, R1W, Louisiana Meridian

<u>SECTION</u>	<u>ACRES</u>
01	88.28
02	186.16
03	202.14
05	205.91
06	22.93
07	167.90
08	221.34
09	211.15
10	211.21
11	165.34
12	147.85
13	161.29
14	168.21
15	190.56
16	219.39
17	188.50
18	100.59

19	81.40
20	110.42
21	134.89
22	163.72
23	114.58
24	191.44
26	124.61
27	88.01
28	104.37
29	147.05
30	152.81
31	131.14
32	180.55
33	105.16
34	190.99
35	202.49
36	143.56

For the purpose of:

Streamside Zones

Any changes to this stipulation will be made in accordance with the land use plan and/or regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820).

KISATCHIE NATIONAL FOREST

T8N, R1W, Louisiana Meridian

CONTROLLED SURFACE USE STIPULATION #2

Surface occupancy or use is subject to the following operating constraints.

Roads and clearing of right-of-way vegetation may occur if a site-specific environmental analysis determines that the mitigated environment effects would not be significant.

T8N, R1W, Louisiana Meridian

<u>SECTION</u>	<u>ACRES</u>
01	3.67
02	32.05
03	61.29
05	89.84
06	26.06
07	354.28
08	437.28
09	406.04
10	438.71
11	464.60
12	228.62
13	216.16
14	412.65
15	419.07
16	431.17
17	391.70
18	269.59

19	387.11
20	433.49
21	397.54
22	430.12
23	73.53
24	1.30
26	88.17
27	96.06
28	231.58
29	471.64
30	485.25
31	463.05
32	383.31
33	106.70
34	3.72
35	29.30
36	66.02

For the purpose of:

Riparian Zones

Any changes to this stipulation will be made in accordance with the land use plan and/or regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820).

KISATCHIE NATIONAL FOREST

T12N, R5W, Louisiana Meridian

NO SURFACE USE STIPULATION (NSO)

No surface occupancy or use is allowed on that portion of the lands described below which fall within the named special management areas.

T12N R5W, Louisiana Meridian

Section	Legal Description	Estimated Acres
27	NWSW	5.9
28	NENE	.5
29	SW; S2NW	128.0
30	SESE	11.8
31	NENE	1.25
32	NW	83.0
35	S2; E2NW	5.67

For the purpose of:

Saline Bayou, Jurisdictional Wetlands, Water Bodies

Any changes in this stipulation will be made in accordance with land use plan and/or the regulatory provision for such changes.

KISATCHIE NATIONAL FOREST

T12N, R5W, Louisiana Meridian

CONTROLLED SURFACE USE STIPULATION (CSU 1)

Surface occupancy or use is subject to the following constraints:

Placement of mineral extraction equipment, buildings, roads, ponds, and wellpads and the clearing of pipeline right-of-way vegetation are prohibited.

T12 R5W– Louisiana Meridian

Section	Legal Description	Estimated Acres
19	E2SWSW	6.16
22	NE of FS Tr. C151G	.22
27	NWSW	4.58
28	NESE	6.29
29	NW;S/2SW	25.87
30	NE, N2SE	66.16
31	NENE, S2NE, SE, NW	85.75
32	SWSW	9.63
35	NWNE, S2NE, S2, E2NW	127.0
36	ALL	156.9

For the purpose of:

Protection of the streamside habitat protection and riparian area protection zones within the Louisiana pearl shell mussel sub-watersheds, in accordance with the Revised Land and Resource Management Plan, Forest-wide Standards and Guidelines, Chapter 2, paragraph FW-225, page 2-25.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes.

KISATCHIE NATIONAL FOREST

T12N, R5W, Louisiana Meridian

CONTROLLED SURFACE USE STIPULATION (CSU 2)

Surface occupancy or use is subject to the following operating constraints:

Roads and clearing of right-of-way vegetation may occur if a site-specific environmental analysis determines that the mitigated environment effects would not be significant.

T12N, R5W, Louisiana Meridian

Section	Legal Description	Estimated Acres
19	NESWSW	.22
27	NWSW	4.95
28	NESE	20.93
29	SW, S2NW	68.44
30	NE, N2SE, SESE	65.25
31	NENE, S2NE	56.2
32	NW	34.5
35	NWNE, S2, E2NW	46.3
36	E/2W/2	5.84

For the purpose of:

Protection of Riparian Zones in accordance with the Revised Land and Resource Management Plan, Forest-wide Standards and Guidelines, Chapter 2, paragraph FW-225, page 2-25.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes.

KISATCHIE NATIONAL FOREST

T12N, R6W, Louisiana Meridian

CONTROLLED SURFACE USE STIPULATION (CSU 1)

Surface occupancy or use is subject to the following constraints:

Placement of mineral extraction equipment, buildings, roads, ponds, and wellpads and the clearing of pipeline right-of-way vegetation are prohibited.

T12 R6W– Louisiana Meridian

Section	Legal Description	Estimated Acres
3	SESE	14.84
13	W/2E/2NENW, W/2NENW	4.43
23	ALL	208.41
24	E/2SWNE	5.09

For the purpose of:

Protection of the streamside habitat protection and riparian area protection zones within the Louisiana pearl shell mussel sub-watersheds, in accordance with the Revised Land and Resource Management Plan, Forest-wide Standards and Guidelines, Chapter 2, paragraph FW-225, page 2-25.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes.

KISATCHIE NATIONAL FOREST

T12N, R6W, Louisiana Meridian

CONTROLLED SURFACE USE STIPULATION (CSU 2)

Surface occupancy or use is subject to the following operating constraints:

Roads and clearing of right-of-way vegetation may occur if a site-specific environmental analysis determines that the mitigated environment effects would not be significant.

T12N, R6W, Louisiana Meridian

Section	Legal Description	Estimated Acres
23	N/2	144.47

For the purpose of:

Protection of Riparian Zones in accordance with the Revised Land and Resource Management Plan, Forest-wide Standards and Guidelines, Chapter 2, paragraph FW-225, page 2-25.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes.

KISATCHIE NATIONAL FOREST

T13N R5W, Louisiana Meridian

NO SURFACE USE STIPULATION (NSO)

No surface occupancy or use is allowed on the lands described below (legal subdivision or other description).

T13N R5W, Louisiana Meridian

Section	Legal Description	Estimated Acres
18	SWNW; SW	166.05
19	NESE	12.76
20	NWSW; part of SWSW lying west of the creek. Part of SESW lying west of creek	68.83
29	Part of the W/2 lying west of the creek	94.92

For the purpose of: Saline Bayou

Any changes in this stipulation will be made in accordance with land use plan and/or the regulatory provision for such changes.

KISATCHIE NATIONAL FOREST

T13 R5W– Louisiana Meridian

CONTROLLED SURFACE USE STIPULATION (CSU 1)

Surface occupancy or use is subject to the following constraints:

Placement of mineral extraction equipment, buildings, roads, ponds, and wellpads and the clearing of pipeline right-of-way vegetation are prohibited.

T13 R5W– Louisiana Meridian

Section	Legal Description	Estimated Acres
5	N2SWSW; NWSW; SWNW	23.79
6	NESE and E2NESESE	11.11
13	S2NENE	3.31
18	SWNW; SW	6.43
19	NENW; NWSW; NESE	14.48
20	NWNE; S/2NWSE	15.73
27	W2SW except for approx. 2.5 ac in SESESWSW	15.58

For the purpose of:

Stipulation on all Streamside Habitat Protection Zones (SHPZS) on the Forest, varying in width from 50 feet to 150 feet depending on the adjacent management area theme, and to the extent of the Riparian Area Protection Zones (RAPZS). (Revised Land and Resource Management Plan, Forestwide Standards and Guidelines, Chapter 2, paragraph FW-225, page 2-25)

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

KISATCHIE NATIONAL FOREST

T13N, R5W, Louisiana Meridian

CONTROLLED SURFACE USE STIPULATION (CSU 2)

Surface occupancy or use is subject to the following operating constraints:

Roads and clearing of right-of-way vegetation may occur if a site-specific environmental analysis determines that the mitigated environment effects would not be significant.

T13N, R5W, Louisiana Meridian

Section	Legal Description	Estimated Acres
13	S2NENE	4.73
18	NWSWNW; S/2SW	30.31
19	NENW; SWNW; NESE	48.77
36	SWSW; N2SW	15.81

For the purpose of:

Protection of Riparian Zones in accordance with the Revised Land and Resource Management Plan, Forest-wide Standards and Guidelines, Chapter 2, paragraph FW-225, page 2-25.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes.

MISSISSIPPI

ES-050-03/10 MSES 56249 PD

Mississippi, Greene County, BLM/Private Surface

T1N, R5W, St. Stephens Meridian

Sec. 7, NWNE, NENW, W2SW, SESW, SWSE;

T1N, R6W,

Sec. 13, SE.

400.00 Acres

\$600.00 Rental

Subject to BLM Stipulations

Subject to BLM Special Stipulations for Aquatic Environments, and Gopher Tortoise and Other Commensal Species

ES-051-03/10 MSES 56250 PD

Mississippi, Perry County, BLM/Private Surface

T5N, R9W, St. Stephens Meridian

Sec. 5, SESE;

Sec. 28, all that part of SESE lying north of Richton-Stateline Public Road, W2NWNW.

90.00 Acres

\$135.00 Rental

Subject to BLM Stipulations

Subject to BLM Special Stipulations for Aquatic Environments, and Gopher Tortoise and Other Commensal Species

ES-052-03/10 MSES 56251 PD

Mississippi, Wayne County, BLM/Private Surface

T9N, R8W, St. Stephens Meridian

Sec. 1, Lot 3;

Sec. 8, NWNW;

Sec. 13, SENE;

Sec. 22, SWSW.

160.00 Acres

\$240.00 Rental

Subject to BLM Stipulations

Subject to BLM Special Stipulations for Aquatic Environments, and Gopher Tortoise and Other Commensal Species

ES-053-03/10 MSES 56252 PD

Mississippi, Monroe County, BLM/Private Surface

T15S, R16W, Huntsville Meridian

Sec. 19, SWNW.

40.11 Acres

\$61.50 Rental

Subject to BLM Stipulations

ES-054-03/10 MSES 56253 ACQ

Mississippi, Newton County, BLM/FFMC/Private Surface

T6N, R11E, Choctaw Meridian

Sec. 17, W2SW;

Sec. 18, SESE, and a 146.67 yard strip of the south side of NESE;

Sec. 20, NWNW.

173.33 Acres

\$261.00 Rental

Subject to BLM Stipulations

Subject to BLM Special Stipulations for Aquatic Environments, and Red-Cockaded Woodpecker

ES-055-03/10 MSES 56254 PD

Mississippi, Grenada County, BLM/Private Surface

T21N, R7E, Choctaw Meridian

Sec. 10, W2SE, SENW.

120.195 Acres

\$181.50 Rental

Subject to BLM Stipulations

Subject to BLM Special Stipulations for Aquatic Environments

(Parcel Nos. ES-050 thru ES-055)

BLM Stipulations

The proposed lease is offered for competitive sale with stipulations generated through the National Environmental Policy Act and other consultations. Once awarded, the successful bidder is required to submit an Application for Permit to Drill (APD) to the BLM before any ground disturbance is authorized. In the APD, the company identifies a proposed drill site and provides the BLM with specific details on how and when they propose to drill a well within the constraints of the lease document. Upon receipt of an APD, BLM conducts an onsite inspection with the company, and when possible the private land owner or surface managing agency. An environmental assessment is prepared on the APD and in those cases where there is the potential to affect critical resources. The lessee is required, as per lease stipulation, to comply with the recommendations of these consultations. The following lease stipulations will be applied to the lease in conformance with the Mississippi Record of Decision and Approved Resource Management Plan, January 2009.

Best Management Practices

BMPs are mitigation measures applied on a site-specific basis to reduce, prevent, or avoid adverse impacts. They may be incorporated as design features when actions are proposed or may be attached as conditions of approval for BLM-permitted Applications for Permit to Drill (APD) for oil and gas.

The BMPs described below will be considered mandatory and will be applied to oil and gas operations on new and existing leases. Note that the objective of each BMP is to reduce adverse impacts to specific resources, and that there is some flexibility in implementation. The degree of flexibility will vary. Application of BMPs when there is potential to affect Federally listed, proposed, or candidate species or designated critical habitat will typically require coordination and possibly formal consultation with USFWS. Examples of national environmental BMPs are listed below; other BMPs that could be applied during site-specific evaluation can be found in the *Surface Operating Standards and Guidelines for Oil and Gas Exploration and Development, Gold Book* (BLM 2006) and at <http://www.blm.gov/bmp>.

- Interim reclamation of the well and access road
- Painting of all facilities to blend into the background
- Design and construct all new roads to a safe and appropriate standard, “no higher than necessary” to accommodate intended vehicular use
- Final reclamation of all disturbed areas, including access roads, to the original or similar contour
- Raptor perch-avoidance devices on powerlines
- Burial of powerlines and flow lines in or immediately adjacent to access roads
- Centralized production facilities
- The use of submersible pumps where feasible
- Below-ground wellheads where feasible
- Multiple wells from a single well pad where feasible
- Noise-reduction techniques to reduce noise from compressors or other motorized equipment
- Seasonal restrictions on public vehicular access where there are wildlife-conflict or road damage/maintenance issues
- Avoidance of production facilities on hilltops and ridgelines

Cultural Resources and Tribal Consultation

Stipulation: This lease may be found to contain historic properties and/or resources protected under the National Historic Preservation Act (NHPA), American Indian Religious Freedom Act, Native American Graves Protection and Repatriation Act, E.O. 13007, or other statutes and executive orders. The BLM will not approve any ground disturbing activities that may affect any such properties or resources until it completes its obligations under applicable requirements of the NHPA and other authorities. *These obligations may include a requirement that you provide a cultural resources survey conducted by a professional archaeologist.* The BLM may require modification to exploration or development proposals to protect such properties, or disapprove any activity that is likely to result in adverse effects that cannot be successfully avoided, minimized or mitigated.

Disposal of Produced Water

Objective: To protect aquatic habitats for and to avoid potential impacts to special status fish, mussels, turtles, snails, plants, and migratory birds.

The preferred method for disposal of produced water will be through reinjection to a permeable formation with total dissolved solids (TDS) content higher than 10,000 milligrams per liter (mg/L) where the aquifer is not hydrologically connected to caves, wetlands, or surface water. In Alabama, the injection of produced water is regulated by the Alabama State Oil and Gas Board. In Mississippi, the injection of produced water is regulated by the Mississippi Department of Environmental Quality (MDEQ) and the Mississippi Oil and Gas Board.

If reinjection is not practicable, closed-containment treatment systems should be used to contain and treat produced water for those contaminants and sediments exceeding State standards or EPA criteria. Salt content of any surface ponds for produced water, pigging pits, or other fluids must be less than 7,500 microsiemens per centimeter ($\mu\text{S}/\text{cm}$). If surface pond salt content is greater than 7,500 $\mu\text{S}/\text{cm}$, if other bird toxicity is present, or if the surface exhibits sheen, then the ponds must be netted or covered with floating balls, or other methods must be used to exclude migratory birds.

Produced waters may be released into an impounded reservoir if there is documentation that the discharge site and affected waters do not support special status species, are not designated critical habitat, and State and Federal water quality standards/criteria are met.

Produced waters may be released into a stream/river if the discharge site and affected waters have been recently surveyed and lack special status species, or if the applicant conducts approved surveys documenting the absence of special status species, State and Federal water quality standards/criteria are met, and a National Pollution Discharge Elimination System (NPDES) permit is obtained. The applicant should be aware that some species can be surveyed only during certain times of the year.

Produced waters may be released into a stream/river if the applicant can document that the produced waters would not adversely affect special status species. Water quality tests would be conducted on stream segment(s) or other locations proposed as discharge points, volumes to be released, and any settling ponds or other treatments proposed to improve wastewater quality. The water quality test data, any monitoring proposed, and other available information about general coalbed methane effluent characteristics (from published or unpublished literature) shall be reviewed by USFWS. Information about timing of the releases in relation to low water and other planned BMPs would also be required. Testing would include analysis of the discharge site and affected waters for chemical oxygen demand (COD), conductivity, total suspended solids (TSS), As, Hg, Se, and polycyclic aromatic hydrocarbons (PAH). Dissolved oxygen and ammonia standards/criteria must be met in bottom waters if they support listed benthic or epibenthic species. If a special status species has been documented to be more sensitive

than State/Federal standards/criteria, site-specific standards for that species may be imposed. Calculations would be based on State standards (or Federal CCC criteria for protection of freshwater aquatic life when the State has not determined a standard for these parameters).

Endangered Species

Stipulation: The lease area may now or hereafter contain plants, animals, or their habitats determined to be threatened, endangered, or other special status species. BLM may recommend modifications to exploration and development proposals to further its conservation and management objective to avoid BLM-approved activity that will contribute to a need to list such a species or their habitat. BLM may require modifications to or disapprove proposed activity that is likely to result in jeopardy to the continued existence of a proposed or listed threatened or endangered species or result in the destruction or adverse modification of a designated or proposed critical habitat. BLM will not approve any ground-disturbing activity that may affect any such species or critical habitat until it completes its obligations under applicable requirements of the Endangered Species Act as amended, 16 U.S.C. ' 1531 et seq., including completion of any required procedure for conference or consultation.

Exception: None

Modification: None

Waiver: None

Invasive and Non-Native Species

Objective: To discourage the spread of invasive, non-native plants.

Use of native or non-invasive cover plants in seeding mixtures will be encouraged to stabilize disturbed areas and during restoration activities. In the case of split-estate land, final seed mixtures will be formulated in consultation with the private landowner

Migratory Birds and Federally Listed Wildlife

Objective: To protect perch and roosting sites and terrestrial habitats for and to avoid potential impacts to migratory birds and federally listed wildlife.

Any reserve pit that is not closed within 10 days after a well is completed and that contains water must be netted or covered with floating balls, or another method must be used to exclude migratory birds.

Maximum design speed on all operator-constructed and maintained (non-public) roads shall not exceed 25 miles per hour to minimize the chance of a collision with migratory birds or other listed wildlife species.

All powerlines must be built to protect raptors and other migratory birds, including bald eagles, from accidental electrocution, using methods detailed by the Avian Power Line Interaction Committee (APLIC 2006)

Perching and Nesting Birds and Bats

Objective: To prevent birds and bats from entering or nesting in or on open vent stack equipment.

Open vent stack equipment, such as heater-treaters, separators, and dehydrator units, will be designed and constructed to prevent birds and bats from entering or nesting in or on such units and, to the extent practical, to discourage birds from perching on the stacks. Installing cone-shaped mesh covers on all open vents is one suggested method. Flat mesh covers are not expected to discourage perching and will not be acceptable.

Pesticide Application

Objective: To protect the water quality of watersheds and natural stream substrate and morphology supporting special status species and their host species.

Any ground application of herbicides or other pesticides, sterilants, or adjuvants within 150 feet of listed species or habitat will require site-specific control measures developed in coordination or formal consultation with USFWS. No aerial application of herbicides or pesticides will be permitted.

Sensitive Plant Species

Stipulation (CSU): All suitable special status plant species habitat will be identified during environmental review of any proposed surface use activity. If field examination indicates that habitat of one or more of these species is present, BLM will require a survey by a qualified botanist for special status plants during time periods appropriate to each species. Operations will not be allowed in areas where sensitive plants would be affected.

Objective: To protect threatened, endangered, candidate, proposed, and BLM Sensitive Plant Species.

Exception: An exception may be granted if the operator agrees to implement measures developed in consultation with USFWS and coordination with state agencies.

Modification: The stipulation may be modified if it is determined that a portion of the lease area does not support sensitive plant species.

Waiver: The stipulation may be waived if it is determined that the lease area does not support sensitive plant species.

(Parcel Nos. ES-050, ES-051, ES-052, ES-054, ES-055)

BLM Special Stipulations

Aquatic Environments

Stipulation (NSO): No surface occupancy or disturbance, including discharges, are permitted within 250 feet of a river, stream, wetland spring, headwaters, wet meadows, wet pine savannas, pond, tributary, lake, coastal slough, sand bars, vernal pools on granite outcrops, calcareous seepage marshes, brackish marshes, saltmarsh or small, marshy calcareous streams.

Objective: To protect water quality of watersheds and natural stream substrate and morphology and to avoid potential impacts to federal and state-listed aquatic species.

Exception: An exception may be granted if the operator agrees to 1) span creeks and floodplains by attaching pipelines to bridges or 2) directionally drill under creeks, rivers, and other waters supporting listed species, 3) implement other measures developed in consultation with USFWS and coordination with state agencies.

Modification: The buffer may be reduced if the adjacent waterway has been surveyed for 100 yards upstream and 300 yards downstream of the site, and results document the lack of suitable/occupied habitat for special status species within the mixing zone downstream of the project, as determined by BLM and USFWS.

Waiver: The stipulation may be waived if it is determined that the lease area has no hydrological connection to habitat of sensitive aquatic species.

(Parcel Nos. ES-050, ES-051, ES-052)

BLM Special Stipulations

Gopher Tortoise and Other Commensal Species

Stipulation (CSU): BLM-approved surveys will be required in all suitable gopher tortoise habitat where the tortoise is listed, including: Choctaw, Washington, Sumter, and Mobile counties in Alabama; and Clarke, Covington, Forrest, George, Greene, Hancock, Harrison, Jackson, Jones, Jasper, Jefferson Davis, Lamar, Marion, Pearl River, Perry, Smith, Stone, Walthall, and Wayne Counties in Mississippi. No surface disturbance or activity is permitted within 600 feet of a gopher tortoise burrow.

Suitable habitat includes areas with deep, well-drained and excessively well-drained sandy soils, especially the following USDA–NRCS soil series and with an open understory with grass and forb groundcover open areas. Suitable soils include Alaga, Bigbee, Eustis, Lakeland, Waldley or Troup, McLaurin, Benndale, Heidel, Bama, Smithdale, Ruston, Lucedale, Lucy, Shuguta, Baxterville, Malbis, Poarch, Saucier, Susquehanna, Boswell, Lorman, Freestone, Freest, Prentis, Savannah, Basin, and Petal.

Objective: To protect habitat for gopher tortoise and other commensal species, including eastern indigo snake and gopher frog.

Exception: Exceptions may be granted if the proponent agrees to implement measures developed in consultation with USFWS and coordination with state agencies.

Modification: This stipulation may be modified if suitable gopher tortoise habitat does not exist on the stipulated area and that area does not provide forage habitat for adjacent tortoise populations. Survey requirements may be modified if current tortoise surveys of the tract are approved by BLM and USFWS.

Waiver: This stipulation may be waived if suitable gopher tortoise habitat does not exist on the tract and the tract does not provide forage habitat for gopher tortoises in adjacent areas.

(Parcel Nos. ES-054)

BLM Special Stipulations

Red-Cockaded Woodpecker

Lease Notice - Prior to activity in suitable red-cockaded woodpecker foraging habitat (cover at least 50% pine trees over 10 inches in diameter and at least 30 years old) or nesting habitat (pines at least 60 years old and 10 inches in diameter), the applicant will conduct a survey of suitable habitat within ½ mile of the project according to protocols described in the updated Red-cockaded Woodpecker Recovery Plan, *Second Revision* completed by U.S. Fish and Wildlife Service in 2003. If red-cockaded woodpeckers are found a biological assessment will be completed and the project modified as needed to ensure that there is “no adverse affect” with concurrence from the Lafayette Ecological Services Office of the U.S. Fish and Wildlife Service.

Stipulation (NOS): No surface occupancy or disturbance within 0.5 mile of a red-cockaded woodpecker cluster, defined as the area containing all active and inactive cavity trees, plus a 200-foot buffer zone surrounding that area. Vehicle use is prohibited within a cluster except for through-travel on existing, maintained, paved roads.

Objective: To protect red-cockaded woodpecker nest sites from disturbance and habitat degradation.

Exception: An exception may be granted to allow surface occupancy within one-half mile of a cluster if the operator agrees to measures developed in consultation with USFWS and in coordination with state agencies.

Modification: This stipulation may be modified if a portion of the stipulated area no longer within the one-half mile buffer zone.

Waiver: This stipulation may be waived if no cluster can be identified within one-half mile of the leased tract.

WAYNE NATIONAL FOREST, OHIO

ES-056-03/10 OHES 56255 ACQ

Ohio, Monroe County, Wayne NF

T1N, R4W, Ohio River Survey

Sec. 30, SESE;

Sec. 36, NENE;

T2N, R4W

Sec. 31, SESE, NESE;

T2N, R5W

Sec. 5, Pt NESW, Pt NWSE.

197.56 Acres

\$297.00 Rental

Subject to:

BLM Lease Notice

Forest Service Standard Lease Stipulations

Lease-Specific Oil and Gas Notifications/Stipulations:

Special Notification: #1

Notification: #1, #2, #3, #4, #5

Stipulations: #18 (T2N, R5W Sec. 5)-there is NSO within 100ft to any known or discovered cemetery

Stipulations: #8 NSO (T2N, R5W, Sec.5 and T1N, R4W, Sec. 30) See Map

Stipulations: #15 NSO (T1N, R4W, Sec. 30) See Map

See Map Attachment 1

ES-057-03/10 OHES 56256 ACQ

Ohio, Monroe County, Wayne NF

T2N, R4W, Ohio River Survey

Sec. 32, Pt W2SW (64.30 ac.);

Sec. 33, NESW;

Sec. 34, Pt E2NW (41.09 ac.).

145.52 Acres

\$219.00 Rental

Subject to:

BLM Lease Notice

Forest Service Standard Lease Stipulations

Lease-Specific Oil and Gas Notifications/Stipulations:

Special Notification: #1

Notification: #1, #2, #3, #4, #5

Stipulation: #8 NSO (Sec. 32) See Map

Stipulation: #15 NSO (Sec. 32) See Map

See Map Attachment 2

ES-058-03/10 OHES 56257 ACQ

Ohio, Monroe County, Wayne NF

T2N, R4W, Ohio River Survey

Sec. 34, Pt NENW.

30.23 Acres

\$46.50 Rental

50% U.S. Royalty Interests

Subject to:

BLM Lease Notice

Forest Service Standard Lease Stipulations

Lease-Specific Oil and Gas Notifications/Stipulations:

Special Notification: #1

Notification: #1, #2, #3, #4, #5

ES-059-03/10 OHES 56258 ACQ

Ohio, Lawrence County, Wayne NF

T3N, R16W, Ohio River Survey

Sec. 9, Pt E2 (163.70 ac.);

Sec. 10, Pt S2N2, Pt S2 (432.16 ac.), Lots 307 and 308 of Sec. 3 of subdivision (1.143 ac.), Lot 305 of Sec. 2 of subdivision (0.589 ac.), Lot 304 of Sec. 3 of subdivision (0.515 ac.), Lot 713 of Sec. 7 of subdivision (0.576 ac.), Lot 344 of Sec. 3 of subdivision (0.573 ac.);

Sec. 11, E2, Pt NW, SW (340.58 ac.), Lot 260 of Sec. 2 of subdivision (0.483 ac.), Lot 789 of Sec. 7 of subdivision (0.659 ac.), Lot 248 of Sec. 2 of subdivision (0.536 ac.), Lot 706 of Sec. 7 of subdivision (0.707 ac.), Lot 147 of Sec. 1 of subdivision (0.517 ac.), Lot 262 of Sec. 2 of subdivision (0.494 ac.);

Sec. 12, Pt SWSW (7.00 ac.);

Sec. 14, Pt NW (43.36 ac.);

Sec. 15, Pt NW (36.00 ac.).

1,029.592 Acres

\$1545.00 Rental

Subject to:

BLM Lease Notice

Forest Service Standard Lease Stipulations

Lease-Specific Oil and Gas Notifications/Stipulations:

Special Notification #1

Notification #1, #2, #3, #4, #5

Stipulation #6 NSO (part of the E2 Sec. 9, Sec. 10, Sec. 11, Sec. 15)

Stipulation #15 NSO (Sec. 11) See Map

See Map Attachment 3

ES-060-03/10 OHES 56259 ACQ

Ohio, Lawrence County, Wayne NF

T4N, R17W, Ohio River Survey

Sec. 6, Pt W2 (107.63 ac.);

Sec. 7, W2SE, SESE, SESW, Pt W2NW;

Sec. 18, Pt E2S2 (52.34 ac.);

Sec. 19, W2NW, E2W2NWSW (or E2N2 Lot 2).

630.61 Acres

\$946.50 Rental

Subject to:

BLM Lease Notice

Forest Service Standard Lease Stipulations

Lease-Specific Oil and Gas Notifications/Stipulations:

Special Notification #1

Notification #1, #2, #3, #4, #5

Stipulation #1 NSO Future Old Forest (Sec. 18, Sec. 19)

Stipulation #8 NSO (Sec. 7) See Map

See Map Attachment 4

ES-061-03/10 OHES 56260 ACQ

Ohio, Lawrence County, Wayne NF

T4N, R17W, Ohio River Survey

Sec. 27, W2NE.

80.00 Acres

\$120.00 Rental

Subject to:

BLM Lease Notice

Forest Service Standard Lease Stipulations

Lease-Specific Oil and Gas Notifications/Stipulations:

Special Notification: #1

Notification: #1, #2, #3, #4, #5

Stipulation: #3 NSO Special Areas, (Pt W2NE, Sec. 27) See Map

See Map Attachment 5

ES-062-03/10 OHES 56261 ACQ

Ohio, Gallia County, Wayne NF

T6N, R17W, Ohio River Survey

Sec. 20, E2NE;

Sec. 29, NENW, W2NE, Pt NENE;

Sec. 33, Pt SWNE, Pt NWSE, Pt E2SW, Pt E2NE, W2SW.

460.25 Acres

\$691.50 Rental

Subject to:

BLM Lease Notice

Forest Service Standard Lease Stipulations

Lease-Specific Oil and Gas Notifications/Stipulations:

Special Notification: #1

Notification: #1, #2, #3, #4, #5

Stipulation: #1 NSO Future Old Forest (NENE corner Sec. 33) See Map

See Map Attachment 6

ES-063-03/10 OHES 56262 ACQ

Ohio, Gallia County, Wayne NF

T6N, R17W, Ohio River Survey

Sec. 4, Pt SWSW (4.94 ac.);

Sec. 5, Pt E2SE (48.53 ac.);

Sec. 8, Pt NWNW (20.50 ac.), E2NE, S2SE;

Sec. 9, Pt NESE (31.70 ac.), Pt W2NW (43.60ac.);

Sec. 10, Pt N2, Pt S2; (266.56 ac.)

Sec. 16, S2NW, NESW, Pt NWSE, Pt SWNE, Pt SWNE (Tract I-7002), Pt SE (190.46 ac.);

Sec. 17, Pt NE.

798.29 Acres

\$1,198.50 Rental

Subject to:

BLM Lease Notice

Forest Service Standard Lease Stipulations

Lease-Specific Oil and Gas Notifications/Stipulations:

Special Notification: #1

Notification: #1, #2, #3, #4, #5

Stipulation: #8 NSO (Sec. 8, 9, 16) See Map

Stipulation: #15 See Map

See Map Attachment 7

ES-064-03/10 OHES 56263 ACQ

Ohio, Gallia County, Wayne NF

T6N, RI7W, Ohio River Survey

Sec. 21, N2NW, S2NW, N2SWNE, Pt N2SENE (1.80 ac.);

Sec. 27, Pt W2W2 (74.68 ac.), Pt S2SW (25.19 ac.), SWSE, E2SESW;

Sec. 28, Pt E2E2 (59.03 ac.), W2NENE;

Sec. 33, Pt NENENE (0.91 ac.);

Sec. 34, Pt NWNW (30.82 ac.), NE, Pt NWSE (20.99 ac.), Pt W2 (67.04 ac.).

700.46 Acres

\$1,051.50 Rental

Subject to:

BLM Lease Notice

Forest Service Standard Lease Stipulations

Lease-Specific Oil and Gas Notifications/Stipulations:

Special Notification: #1

Notification: #1, #2, #3, #4, #5

Stipulation: #1 NSO Future Old Forest (Sec. 27 & 34) See Map

Stipulation: #15 (Section 21& 34) See Map

See Map Attachment 8

ES-065-03/10 OHES 56264 ACQ

Ohio, Gallia County, Wayne NF

T6N, RI7W, Ohio River Survey

Sec. 12, Pt SW (81.47 ac.), Pt E2SE (61.55 ac.);

Sec. 13, Pt E2NW (77.83 ac.), S2NE, Pt SE (104.84 ac.), Pt N2NE (39.42 ac.), Pt NENE, Pt NENWNE;

Sec. 23, Pt SWSE (5.56 ac.), Pt SWSE (7.23 ac.);

Sec. 24, E2NE, SESW;

Sec. 25, Pt NW (60.69 ac.).

679.17 Acres

\$1,020.00 Rental

Subject to:

BLM Lease Notice

Forest Service Standard Lease Stipulations

Lease-Specific Oil and Gas Notifications/Stipulations:

Special Notification: #1

Notification: #1, #2, #3, #4, #5

Stipulation: #3 NSO Special Areas (E2NE Sec. 24)

Stipulation: #1 Future Old Forest (Sec. 23, 24, & 25)

Stipulation: #15 NSO & #8 NSO (Sec. 13) See Map

See Map Attachment 9

ES-066-03/10 OHES 56265 ACQ

Ohio, Gallia County, Wayne NF

T6N, RI7W, Ohio River Survey

Sec. 19, Pt SWSE (Tract I-9022, 30.00 ac.), Pt SWSE (Tract I-9024, 30.00 ac.);

Sec. 30, Pt NWNE (30.00 ac.), NESW;

Sec. 31, NENE, Pt NWSE, Pt SWNE, Pt N2NW, Pt SENW, Pt NESW, Pt SW (56.67 ac.).

461.69 Acres

\$693.00 Rental

Subject to:

BLM Lease Notice

Forest Service Standard Lease Stipulations

Lease-Specific Oil and Gas Notifications/Stipulations:

Special Notification: #1

Notification: #1, #2, #3, #4, #5

Stipulation: #15 NSO (Sec. 19), See Map

Stipulation: #8 NSO (Sec. 31), See Map

See Map Attachment 10

ES-067-03/10 OHES 56266 ACQ

Ohio, Lawrence County, Wayne NF

T5N, RI7W, Ohio River Survey

Sec. 4, NWNE, N2SE, NESW, S2SE, W2SENE, Pt E2SWNE (18.12 ac.), N2NW, Pt S2NW (68.00 ac.);

Sec. 5, SWSW;

Sec. 6, E2SE, SWSE, SESW, NWSW;

Sec. 7, NENE, E2SE, SENE;

Sec. 8, NWNW;

Sec. 9, Pt SESE (41.02 ac.), NENE.

992.69 Acres

\$1,489.50 Rental

Subject to:

BLM Lease Notice

Forest Service Standard Lease Stipulations

Lease-Specific Oil and Gas Notifications/Stipulations:

Special Notification: #1

Notification: #1, #2, #3, #4, #5

Stipulation: #8 NSO (Pts of Sec. 4, 6, 7, 8, 9) See Map

Stipulation: #15 NSO (Pts Sec. 6, 7, 8) See Map

See Map Attachment 11

ES-068-03/10 OHES 56267 ACQ

Ohio, Lawrence County, Wayne NF

T5N, R17W, Ohio River Survey

Sec. 2, Pt SWSE;

Sec. 3, N2NW, SWNE, NESESW;

Sec. 10, Pt W2NWNE, Pt N2NW, SENW, Pt E2SW, Pt SWNW, NESE, Pt NWSE, Pt SWSE, Pt N2SESE, Pt N2NW, Pt SWNE, Pt SWNW, E2SW, S2SWSE;

Sec. 11, Pt SWNWSW, N2SWNW, S2SWNW, Pt NE, Pt E2NW, Pt W2SW.

763.50 Acres

\$1,146.00 Rental

Subject to:

BLM Lease Notice

Forest Service Standard Lease Stipulations

Lease-Specific Oil and Gas Notifications/Stipulations:

Special Notification: #1

Notification: #1, #2, #3, #4, #5

Stipulation: #3 NSO Special Areas (Pt Sec. 9 and 11) See Map

Stipulation: #8 NSO (Pts Sec. 3, 8, 10, 11) See Map

Stipulation: #15 NSO (Sec. 2, 10 and 11) See Map

See Map Attachment 12

ES-069-03/10 OHES 56268 ACQ

Ohio, Lawrence County, Wayne NF

T5N, R17W, Ohio River Survey

Sec. 16, E2 Lot 5 (85.18 ac.);

Sec. 17, SWNW, Pt NWSW (32.87 ac.), SWSE, Pt N2NW (61.49 ac.);

Sec. 18, NENE, SWNE, NESW, SENW, NESE, SWSE, Pt NWSE (32.22 ac.), SENE, SESE;

Sec. 19, Pt NENE (10.00 ac.), Pt SENW (29.21 ac.), SWSW, N2SW, Pt SESW (38.00 ac.), NWSE, Pt NESE (41.20 ac);

Sec. 20, NWSW, SESW, Pt NESW (21.46 ac.), Pt NWSE (29.00 ac.), Pt SWNE, Pt SENW;

Sec. 30, N2NW, N2NE, SWSE;

Sec. 31, Pt N2NE (108.22 ac.).

1,351.22 Acres

\$2,028.00 Rental

Subject to:

BLM Lease Notice

Forest Service Standard Lease Stipulations

Lease-Specific Oil and Gas Notifications/Stipulations:

Special Notification: #1

Notification: #1, #2, #3, #4, #5

Stipulation: #8 NSO (Pts of Sec. 16, 17, 18, 19, 20, 30, 31) See Map

Stipulation: #15 (Pts of Sec. 17 and 31) See Map

See Map Attachment 13

ES-070-03/10 OHES 56269 ACQ

Ohio, Lawrence County, Wayne NF

T5N, R17W, Ohio River Survey

Sec. 21, NENE;

Sec. 28, Pt E2NE (68.62 ac.).

112.04 Acres

\$169.50 Rental

Subject to:

BLM Lease Notice

Forest Service Standard Lease Stipulations

Lease-Specific Oil and Gas Notifications/Stipulations:

Special Notification: #1

Notification: #1, #2, #3, #4, #5

Stipulation: #8 NSO (Pts of Sec. 21 and 28) See Map

See Map Attachment 14

ES-071-03/10 OHES 56270 ACQ

Ohio, Lawrence County, Wayne NF

T5N, R17W, Ohio River Survey

Sec. 22, Pt NESW, Pt N2SE, Pt SESE, Pt SWNE, Pt SENW, NWNE, NENW;

Sec. 23, SESE;

Sec. 24, Pt S2SE (34.41 ac.), Pt SWSW (32.46 ac.);

Sec. 26, W2NWSW, Pt W2SWNW, Pt E2NW, Pt NESW;

Sec. 27, NESE, Pt SENE.

535.86 Acres

\$804.00 Rental

Subject to:

BLM Lease Notice

Forest Service Standard Lease Stipulations

Lease-Specific Oil and Gas Notifications/Stipulations:

Special Notification: #1

Notification: #1, #2, #3, #4, #5

Stipulation: #8 NSO Special Areas (Sec. 22, 26 and 27) See Map

Stipulation: #8 NSO (Pts of Sec. 22 and 24) See Map

See Map Attachment 15

ES-072-03/10 OHES 56271 ACQ

Ohio, Gallia County, Wayne NF

T4N, R16W, Ohio River Survey

Sec. 16, N2SW except 0.50 ac;

Sec. 20, NWNE except 0.50 ac.

119.00 Acres

\$180.00 Rental

Subject to:

BLM Lease Notice

Forest Service Standard Lease Stipulations

Lease-Specific Oil and Gas Notifications/Stipulations:

Special Notification: #1

Notification: #1, #2, #3, #4, #5

Stipulation: #8 NSO (Pts of Sec. 16) See Map

See Map Attachment 16

ES-073-03/10 OHES 56272 ACQ

Ohio, Gallia County, Wayne NF

T4N, R16W, Ohio River Survey

Sec. 31, Pt SE.

118.28 Acres

\$178.50 Rental

Subject to:

BLM Lease Notice

Forest Service Standard Lease Stipulations

Lease-Specific Oil and Gas Notifications/Stipulations:

Special Notification: #1

Notification: #1, #2, #3, #4, #5

ES-074-03/10 OHES 56273 ACQ (OHES 51280)

Ohio, Monroe County, Wayne NF

T2N, R5W, Ohio River Survey

Sec. 33, E2NE;

Sec. 35, SWNW, NWSW, less and except the following described lands:

A 2.5 acre parcel within the boundaries of the SWNW committed to Communization Agreement (CA) OHES-052153. Said lands are described as all lands within a 300' radius of the surface location of the Carlton Oil Corporation Lisk #1 well (API # 34-111-23870) within the SWNW. Production from the Lisk #1 well is allocated under CA OHES-52153 and the well is located 2,010' FNL and 1,405' FWL, Section 35.

A 2.7 acre parcel within the boundaries of the SWNW and the NWSW committed to Communization Agreement (CA) OHES-052154. Said lands are described as all lands within a 300' radius of the surface location of the Carlton Oil Corporation Lisk #2 well (API # 34-111-23869) within the SWNW and the NWSW. Production from the Lisk #2 well is

allocated under CA OHES-52154 and the well is located 2,905' FNL and 1,370' FWL, Section 35.

155.24 Acres

\$234.00 Rental

Subject to:

BLM Lease Notice

Forest Service Standard Lease Stipulations

Lease-Specific Oil and Gas Notifications/Stipulations:

Special Notification: #1

Notification: #1, #2, #3, #4, #5

See Map Attachment 17

ES-075-03/10 OHES 56274 ACQ *(OHES 51280)

Ohio, Monroe County, Wayne NF

T2N, R5W, Ohio River Survey

Sec. 35, A 2.5 acre parcel within the boundaries of the SWNW committed to Communization Agreement (CA) OHES-052153. Said lands are described as all lands within a 300' radius of the surface location of the Carlton Oil Corporation Lisk #1 well (API # 34-111-23870) within the SWNW. Production from the Lisk #1 well is allocated under CA OHES-52153 and the well is located 2,010' FNL and 1,405' FWL, Section 35.

2.50 Acres

\$4.50 Rental

Subject to:

BLM Lease Notice

Forest Service Standard Lease Stipulations

Lease-Specific Oil and Gas Notifications/Stipulations:

Special Notification: #1

Notification: #1, #2, #3, #4, #5

The lands within this parcel are committed to a producing Communitization Agreement (CA). Before a lease can be issued for these lands, the successful bidder for this parcel must submit a joinder to the Communitization Agreement which is acceptable to the CA Operator. Contact information for the CA Operator can be provided by the Bureau of Land Management's Milwaukee Field Office.

The responsibility for successful negotiations between the successful bidder and all non-Federal parties involved in the CA will solely rest with the Federal successful bidder and the non-Federal parties. A Federal lease will not be issued if the successful bidder and the non-Federal parties do not come to terms on monetary settlements necessary to effect joinder to this Agreement. The effective date of the Federal lease will be the first day of the month following issuance of the lease.

See Map Attachment 17

ES-076-03/10 OHES 56275 ACQ *(OHES 51280)

Ohio, Monroe County, Wayne NF

T2N, R5W, Ohio River Survey

Sec. 35, A 2.7 acre parcel within the boundaries of the SWNW and the NWSW committed to Communization Agreement (CA) OHES-052154. Said lands are described as all lands within a 300' radius of the surface location of the Carlton Oil Corporation Lisk #2 well (API # 34-111-23869) within the SWNW and the NWSW. Production from the Lisk #2 well is allocated under CA OHES-52154 and the well is located 2,905' FNL and 1,370' FWL, Section 35.

2.70 Acres

\$4.50 Rental

Subject to:

BLM Lease Notice

Forest Service Standard Lease Stipulations

Lease-Specific Oil and Gas Notifications/Stipulations:

Special Notification: #1

Notification: #1, #2, #3, #4, #5

The lands within this parcel are committed to a producing Communitization Agreement (CA). Before a lease can be issued for these lands, the successful bidder for this parcel must submit a joinder to the Communitization Agreement which is acceptable to the CA Operator. Contact information for the CA Operator can be provided by the Bureau of Land Management's Milwaukee Field Office.

The responsibility for successful negotiations between the successful bidder and all non-Federal parties involved in the CA will solely rest with the Federal successful bidder and the non-Federal parties. A Federal lease will not be issued if the successful bidder and the non-Federal parties do not come to terms on monetary settlements necessary to effect joinder to this Agreement. The effective date of the Federal lease will be the first day of the month following issuance of the lease.

See Map Attachment 17

ES-077-03/10 OHES 56276 ACQ *(OHES 51280)

Ohio, Monroe County, Wayne NF

T2N, R5W, Ohio River Survey

Sec. 36, Pt NENE, Pt SENE, NWNE except the following described lands: A 2.0 acre parcel within the boundaries of the NWNE committed to Communization Agreement (CA) OHES-051482. Said lands are described as all lands within a 300' radius of the surface location of the Carlton Oil Corporation USA Drake #4C well (API # 34-111-23786) within the NWNE and north of the lease line for Federal oil and gas lease OHES-047683. Production from the USA Drake #4C well is allocated under CA OHES-51482, and the well is located 1,525' FNL and 1,620' FEL, Section 35.

57.09 Acres

\$87.00 Rental

Subject to:

BLM Lease Notice

Forest Service Standard Lease Stipulations
Lease-Specific Oil and Gas Notifications/Stipulations:

Special Notification: #1

Notification: #1, #2, #3, #4, #5

Stipulation: #8 NSO (Pt of Sec. 36) See Map

Stipulation: #15 NSO (Pt of Sec. 36) See Map

See Map Attachment 17

ES-078-03/10 OHES 56277 ACQ *(OHES 51280)

Ohio, Monroe County, Wayne NF

T2N, R5W, Ohio River Survey

Sec. 36, A 2.0 acre parcel within the boundaries of the NWN committed to Communization Agreement (CA) OHES-051482. Said lands are described as all lands within a 300' radius of the surface location of the Carlton Oil Corporation USA Drake #4C well (API # 34-111-23786) within the NWN and north of the lease line for Federal oil and gas lease OHES-047683. Production from the USA Drake #4C well is allocated under CA OHES-51482, and the well is located 1,525' FNL and 1,620' FEL, Section 35.

2.00 Acres

\$3.00 Rental

Subject to:

BLM Lease Notice

Forest Service Standard Lease Stipulations

Lease-Specific Oil and Gas Notifications/Stipulations:

Special Notification: #1

Notification: #1, #2, #3, #4, #5

Stipulation: #8 NSO (Pt of Sec. 36) See Map

Stipulation: #15 NSO (Pt of Sec. 36) See Map

The lands within this parcel are committed to a producing Communitization Agreement (CA). Before a lease can be issued for these lands, the successful bidder for this parcel must submit a joinder to the Communitization Agreement which is acceptable to the CA Operator. Contact information for the CA Operator can be provided by the Bureau of Land Management's Milwaukee Field Office.

The responsibility for successful negotiations between the successful bidder and all non-Federal parties involved in the CA will solely rest with the Federal successful bidder and the non-Federal parties. A Federal lease will not be issued if the successful bidder and the non-Federal parties do not come to terms on monetary settlements necessary to effect joinder to this Agreement. The effective date of the Federal lease will be the first day of the month following issuance of the lease.

See Map Attachment 17

ES-079-03/10 OHES 56278 ACQ

Ohio, Washington County, Wayne NF

T3N, R7W, Ohio River Survey

Sec. 7, NWNW,

Sec. 13, NENE, Pt. SENE.

81.17 Acres

\$123.00 Rental

Subject to:

BLM Lease Notice

Forest Service Standard Lease Stipulations

Lease-Specific Oil and Gas Notifications/Stipulations:

Special Notification: #1

Notification: #1, #2, #3, #4, #5

Stipulation: #8 NSO – Slopes in excess of 55 percent

Stipulation: #17 CSU – Slopes between 35 and 55 percent

BLM LEASE NOTICE

WAYNE NATIONAL FOREST, OHIO

1. The lease tract may contain an abandoned oil and gas well(s). Detailed well information and legal ownership of this well(s) either has not been researched or is not known at this time. All past leases associated with this well(s) and the lease tract are believed to have expired. No right, title, or interest in any such well(s) is conferred by this Federal lease. If the Federal lessee wishes to obtain any rights to the well(s) and produce the same under the terms of the Federal lease and Federal oil and gas operating regulations, he/she shall independently take appropriate measures to assure his/her legal interest in the well(s). Any such well(s) reworked and/or placed into production by the Federal lessee shall then be considered by the Bureau of Land Management as being the responsibility of the Federal lessee and subject to the terms of the Federal lease.

2. The Federal Government does not record Federal leases in the lease records of local counties. Any local recording of Federal leases is the responsibility of the Federal lessee.

**USDA – FOREST SERVICE
STANDARD STIPULATIONS - LEASE
(FSM 2820)**

National Forest: Wayne

The lessee is notified and agrees:

All work and any operations authorized under this lease shall be done according to an approved operating plan on file with the **Forest Supervisor at USDA Forest Service, 13700 US Highway 33, Nelsonville, Ohio, 45764**. Plans generally require a minimum of 45 days for Forest Service review. Bureau of Land Management must also review and also approve. Operating plan will contain information the Forest Officer determines reasonable for assessment of (1) public safety, (2) environmental damage, and (3) protection for surface resources. Content of such plans will vary according to location and type of activity and may contain:

1. Steps taken to provide public safety.
2. Location and extent of areas to be occupied during operations.
3. Operation methods including size and type of equipment.
4. Capacity, character, standards of construction and size of all structures and facilities to be built.
5. Location and size of areas where vegetation will be destroyed or soil lay bare.
6. Steps taken to prevent and control soil erosion.
7. Steps taken to prevent water pollution.
8. Character, amount, and time of use of explosives or fire, including safety precautions during their use.
9. Program proposed for rehabilitation and revegetation of disturbed land.

Copies of all permits obtained from State or Federal agencies pertaining to work might be required. Archeological studies, if required, will accompany plan.

The Forest Supervisor or his/her designated agent has authority to temporarily suspend or modify operations in whole or in part due to emergency forest conditions such as high fire danger or other unsafe situations.

The lessee must keep the **District Ranger** informed about progress of operations to the extent reasonably necessary for assuring public safety. This is especially important with geophysical inventory and testing activities because of their mobile nature. The lessee will alert the **District Ranger** to circumstances which may affect safe and efficient conduct of work activities.

Terms of this lease are considered violated if not done according to these stipulations.

See Special Stipulations & Notifications
OIL AND GAS LEASE STIPULATIONS/NOTIFICATIONS
Wayne National Forest, Ohio

R9-2800-6a (3/83)

USDA – FOREST SERVICE
Wayne National Forest

LEASE-SPECIFIC OIL AND GAS NOTIFICATIONS/STIPULATIONS

The notifications and stipulations that follow implement the Standards and Guidelines of the Wayne National Forest Land and Resource Management Plan, and, where appropriate, are in addition to the standard lease terms for oil and gas leases (BLM Form 3100-11). These notifications and stipulations are necessary to protect specific resource values on the lease area. If found to be in the public interest, they may be made less restrictive, or otherwise modified, when specifically approved in writing by an authorized officer of the Forest Service.

Special Notification #1

Operations under this lease will be consistent with all the standards and guidelines found in the revised Wayne National Forest Land and Resources Management Plan (Forest Plan), and are hereby incorporated into this lease in their entirety. Forest Plan standards and guidelines include restrictions on location, timing and methodology of oil and gas lease operations, and requirements for special surveys that provide for protection of National Forest land and resources. A copy of the Wayne National Forest Land and Resource Management Plan is available for inspection from the following website <http://wwwN,.fs.fed.us/i-9,/Wayiie/> - or by writing to:

Forest Supervisor
Wayne National Forest
13700 US HWY 33
Nelsonville, OH 45764

Notification #1

Cultural Resources

The Forest Service is responsible for assuring that the area to be disturbed is examined for cultural resources prior to allowing any surface disturbing activities on lands covered by this lease. Important cultural resource values may be present on portions of this lease. Surface disturbing activities must avoid these areas unless the authorized officer agrees to the mitigation measures.

The lessee/operators may, at their discretion and cost, conduct the examination on the lands to be disturbed. This examination must be done by or under the supervision of a qualified resource specialist approved by the Forest Service. An acceptable report must be provided to the Forest Service identifying the anticipated effects of the proposed action on cultural resource values.

If items of substantial archaeological or paleontological value are discovered during operations, or a known deposit of such items is disturbed, the lessee (or operator) will cease work in the area so affected. The lessee (or operator) will then notify the Forest Service and will not resume excavation until the Forest Supervisor gives written approval.

Notification #2

Floodplains

Any activities proposed in, or likely to affect, a floodplain will be subject to:

- Analysis and identification of alternate sites.
- Public notification and comment period.
- Provisions of any other Federal, State or local laws and regulations as required under presidential Executive Order 11988, Protection of Floodplains.

Notification #3

Protection of Federal Endangered & Threatened and Regional Sensitive Species, and Their Habitat.

The Forest Service is responsible for assuring that the area to be disturbed is examined prior to allowing any surface disturbing activities on lands covered by this lease. The examination is to determine effects upon any plant or animal species listed, or proposed for listing, as federal endangered or threatened, regional sensitive, and their habitats. If the findings of this examination determine that the operation(s) may have a detrimental effect on a species covered by the Federal Endangered Species Act as amended, the operator's plans may be denied or restrictions added. The presence of regional sensitive species may also require some restrictions of the operation(s).

The Forest Service has the responsibility to conduct the required examination. In cases where the Forest Service time frames cannot meet the needs of the lessee/operator, the lessee/operator may, at his discretion and cost, conduct the examination on the lands to be disturbed. This examination must be done by or under the supervision of a qualified resource specialist approved by the Forest Service. An acceptable report must be provided to the Forest Service identifying the anticipated effects of the proposed action on federal endangered or threatened species, regional sensitive species, or their habitats.

Notification #4

Compliance with public laws and federal regulations

Operators are required to comply with all public laws and Federal regulations that apply to National Forest System lands and the Wayne Land and Resource Management Plan.

Notification #5

Steep slopes and/or unstable soils

The area of this lease contains a considerable amount of land with steep slopes and/or unstable soils. Accordingly, the opportunity to locate access roads, drilling sites, pipelines, storage tanks and other improvements may be extremely limited.

Management areas requiring special stipulations
Very Restrictive Stipulations

Stipulation #1

No Surface Occupancy - Future Old Forest

No surface occupancy on the entire lease or on designated areas of the lease (see map) for the protection of Future Old Forest.

On National Forest System lands in Future Old Forest Management Areas, the USDA Forest Service will only issue Federal oil and gas leases that have a No Surface Occupancy (NSO) stipulation. In the case of Federal leases issued pursuant to the Comprehensive National Energy Policy Act of 1992, the Forest Service will recommend to BLM that operations be allowed to continue provided that all activities comply with Forest guidance. When the existing well (or wells) is depleted, all facilities must be removed and the site rehabilitated to Forest Service standards. No new wells will be allowed, nor will existing wells be allowed to be drilled to deeper formations. The NSO stipulation does not apply to reserved or outstanding mineral rights.

Stipulation #2

No Surface Occupancy - Research Natural Areas

No surface occupancy within designated areas of the lease (see map) for the protection of natural processes or research, historical or educational values.

On National Forest System lands in Research Natural Management Areas, the USDA Forest Service will only issue Federal oil and gas leases that have a No Surface Occupancy (NSO) stipulation. In the case of Federal leases issued pursuant to the Comprehensive National Energy Policy Act of 1992, the Forest Service will recommend to BLM that operations be allowed to continue provided that all activities comply with Forest guidance. When the existing well (or wells) is depleted, all facilities must be removed and the site rehabilitated to Forest Service standards. No new wells will be allowed, nor will existing wells be allowed to be drilled to deeper formations. The NSO stipulation does not apply to reserved or outstanding mineral rights.

Stipulation #3

No Surface Occupancy - Special Interest Areas

No surface occupancy within designated areas of the lease (see map) for the protection of natural processes or research, historical or educational values.

On National Forest System lands in Special Interest Management Areas, the USDA Forest Service will only issue Federal oil and gas leases that have a No Surface Occupancy (NSO) stipulation. In the case of Federal leases issued pursuant to the Comprehensive National Energy Policy Act of 1992, the Forest Service will recommend to BLM that operations be allowed to continue provided that all activities comply with Forest guidance. When the existing well (or wells) is depleted, all facilities must be removed and the site rehabilitated to Forest Service standards. No new wells will be allowed, nor will existing wells be allowed to be drilled to deeper formations. The NSO stipulation does not apply to reserved or outstanding mineral rights.

Stipulation #4

No Surface Occupancy - Candidate Research Natural Areas and Special Interest Areas

No surface occupancy within designated areas of the lease (see map) for the protection of natural processes or research, historical or educational values.

On National Forest System lands in Candidate Research Natural Management Areas, the USDA Forest Service will only issue Federal oil and gas leases that have a No Surface Occupancy (NSO) stipulation. In the case of Federal leases issued pursuant to the Comprehensive National Energy Policy Act of 1992, the Forest Service will recommend to BLM that operations be allowed to continue provided that all activities comply with Forest guidance. When the existing well (or wells) is depleted, all facilities must be removed and the site rehabilitated to Forest Service standards. No new wells will be allowed, nor will existing wells be allowed to be drilled to deeper formations. The NSO stipulation does not apply to reserved or outstanding mineral rights.

Stipulation #5

No Surface Occupancy - Administrative sites, and developed recreation areas, trails and associated trailheads

No surface occupancy within designated areas of the lease (see map) for the protection of special management units such as developed recreation areas, trails and associated trailheads, water supply facilities, administrative site, etc.

On National Forest System lands within administrative sites, developed recreation areas, trails and associated trailheads, the USDA Forest Service will only issue Federal oil and gas leases that have a No Surface Occupancy (NSO) stipulation. The NSO designation will include a buffer zone, which will be determined in accordance with the Implementation Guide for Scenery Management. In the case of Federal **leases** issued pursuant to the Comprehensive National Energy Policy Act of 1992, the Forest Service will recommend to BLM that operations be allowed to continue provided that all activities comply with Forest guidance. When the existing well (or wells) is depleted, all facilities must be removed and the site rehabilitated to Forest Service standards. No new wells will be allowed, nor will existing wells be allowed to be drilled to deeper formations. The NSO stipulation does not apply to reserved or outstanding mineral rights.

Stipulation #6

No Surface Occupancy - Timbre Ridge Lake

No surface occupancy within designated areas of the lease (see map) for the protection of the Timbre Ridge Lake Management Area.

On National Forest System lands in the Timbre Ridge Lake Management Area, the USDA Forest Service will only issue Federal oil and gas leases that have a No Surface Occupancy (NSO) stipulation. In the case of Federal leases issued pursuant to the Comprehensive National Energy Policy Act of 1992, the Forest Service will recommend to BLM that operations be allowed to continue provided that all activities comply with Forest guidance. When the existing well (or wells) is depleted, all facilities must be removed and the site rehabilitated to Forest Service standards. No new wells will be allowed, nor will existing wells be allowed to be drilled to deeper formations. The NSO stipulation does not apply to reserved or outstanding mineral rights.

Resources requiring special stipulations
Very Restrictive Stipulations

Stipulation #7

No Surface Occupancy - Cultural resource area of known significance

No Surface occupancy within archaeological or historical sites of known significance (see map). At the time of any new proposed lease developments, the responsible line officer shall determine the need for any setbacks or restrictions for the protection of objects of historic or scientific interest.

Stipulation #8

No Surface Occupancy - Slopes in excess of 55 percent

No surface occupancy on slopes in excess of 55% (see map) to protect soil and water from erosion and mass failure hazards because of steep slopes.

Stipulation #9

No Surface Occupancy - Areas of mass soil instability

No surface occupancy is allowed for the exploration and development of energy minerals on areas with mass soil instability, as defined by the USDA County Soil Surveys (see map).

Stipulation #10

No Surface Occupancy - Hibernacula

No surface occupancy within 1/4 mile of all known Indiana bat hibernacula (see map).
Moderately to Very Restrictive Stipulations

Stipulation #11

Controlled Surface Use - Areas of land with a Scenic Integrity Objective of 'High' or 'Moderate'

At the time of any new proposed lease developments, the responsible line officer shall determine the need for any visual quality mitigation. Some examples of mitigation may include special design and reclamation measures, transplanting trees and shrubs, fertilization, mulching, special erosion control structures, irrigation, site recontouring to match the original land contour, low profile equipment and painting to minimize contrast. Surface occupancy may also be limited or denied in sensitive areas, such as unique geologic features and rock formations, visually prominent areas such as designated trails and developed recreation sites.

Stipulation #12

Controlled Surface Use - Known locations of federally listed species.

No cutting of snags (trees with less than 10% live canopy), shagbark or shellbark hickories, or trees that are hollow and/or have major splits or broken tops, except during the bat hibernation season (September 15 to April 15). If such trees are a safety hazard, they may be cut anytime they pose an imminent threat to human safety, but if cut in the nonhibernation season the Forest Service biologist must be notified in advance. This stipulation applies only to trees over six inches in diameter.

Protect all supercanopy trees or other identified congregation roost trees for bald eagles along major river corridors and lakes. Protect known nests and roosts as described in the Bald Eagle Recovery Plan, or as directed by the US Fish and Wildlife Service.

A Forest Service biologist, prior to any surface disturbing activities, will conduct an assessment for potential American burying beetle habitat and occurrence. Occupancy restrictions will be determined at the time of the evaluation.

Stipulation #13

Controlled Surface Use - Areas of known Regional Sensitive Species or uncommon, unique or important habitats.

Controlled surface use may include setbacks or restrictions from portions of the lease to ensure protection of habitat for regional sensitive species. At the time of any new proposed lease developments, the responsible line officer shall determine the need for any setbacks or restrictions, or the need for timing-related stipulation in accordance with the aquatic and terrestrial wildlife and botanical resources standard and guidelines.

The leaseholder and Forest Service inspector shall work together to identify locations for development and production facilities in order to protect the structural integrity of large old trees found on a portion of the tract.

Stipulation #14

Controlled Surface Use - Managed wildlife openings

At the time of any new proposed lease developments, the responsible line officer shall determine the extent of the surface use restrictions necessary to maintain habitat integrity for plant and animal species dependent on such habitats.

Stipulation #15

Controlled Surface Use - Riparian areas

At the time of any new proposed lease developments, the responsible line officer shall determine the appropriate surface use restrictions necessary to maintain the structural and ecological integrity of riparian areas, and aquatic and riparian-dependent species viability.

Stipulation #16

Controlled Surface Use - Portions of floodplains outside riparian areas.

Oil and gas activities may be allowed within that portion of a floodplain outside riparian areas. Mineral activities will be evaluated on a case-by-case basis, and appropriate mitigation measures will be applied. The leaseholder and Forest Service inspector shall work together to identify locations for roads, pipelines, well pads and production facilities.

Stipulation #17

Controlled Surface Use - Slopes between 35 and 55 percent

Oil and gas activities will be allowed on slopes between 35%-55% on a case-by-case basis, with appropriate mitigation. New road construction and maintenance shall be planned so that the least amount of ground disturbance is involved. The leaseholder and Forest Service inspector shall work together to identify locations for roads, pipelines, well pads and production facilities.

Stipulation #18

Controlled Surface Use - Cemetery

There is a reservation for use of 1/4 acre for a cemetery. No surface disturbance on the cemetery.

MONONGAHELA NATIONAL FOREST, WEST VIRGINIA

ES-080-03/10 WVES 56279 ACQ

West Virginia, Pendleton County, Monongahela NF

Tract 315a (65.0 ac.), Tract 851 (30.98 ac.), and Part of Tract 38b (1820.803 ac.) described as follows: Beginning at Corner 2 of Exception 1 of Tract 38b, common corner to a proposed and pending Oil and Gas Lease BLMA-37310; then with said proposed lease and said pending lease through Tract 38b

S08°30'E	159.09c	to Corner 7 of Exception 5 of Tract 38b; then with Exception 5
S11°45'W	10.70c	to Corner 1
S32°11'E	20.69c	to Corner 2
S11°33'W	15.38c	to Corner 3 of Exception 5, common corner to pending Oil and Gas lease BLMA-37310 and a proposed lease; then with pending Oil and Gas Lease BLMA-37310 and a proposed lease
S27°W	103.03c	to a point in the State line between Pendleton County, West Virginia and Highland County, Virginia; then leaving pending Oil and Gas Lease BLMA-37310, a proposed lease and running with the State line
N63°W	100c	to a corner of Oil and Gas Lease BLMA-22922; then leaving the State line and with the boundary of Oil and Gas Lease BLMA-22922
N18°E	88.62c	to Corner 2 of Tract 851; then leaving of Oil and Gas Lease BLMA-22922 and continuing with Tract 851
N61°27'E	25.36c	to Corner 3 of Tract 315a, then leaving Tract 851 and continuing with Tract 315a
N33°49'W	25.68c	to Corner 4 of Tract 315a, common corner to Oil and Gas Lease BLMA-22922; then with Oil and Gas Lease BLMA-22922
S77°07'E	37.62c	to Corner 1 of Tract 315a; then leaving Tract 315a and continuing with Oil and Gas Lease BLMA-22922
N04°E	44.32c	to Corner 12 of Exception No. 2 of Tract 38b; then leaving Oil and Gas Lease BLMA-22922 and continuing with Exception No. 2
N29°19'E	20.91c	to Corner 13
N03°08'W	53.19c	to Corner 1 of Exception 2, common corner to Oil and Gas Lease BLMA-22922; then leaving Exception 2 and with Oil and Gas Lease BLMA-22922
N53°41'E	2.89c	to Corner 9 of Exception 1 of Tract 38b; then leaving Oil and Gas Lease BLMA-22922 and with Exception 1
N62°09'E	20.22c	to Corner 1
N21°47'E	21.16c	to Corner 2. Then leaving the outside boundary of Exception No. 2
S08°30'E	159.09c	(by protraction) with a line common to pending Oil and Gas Lease ES 37310 to the beginning.

1,916.783 Acres

\$2,875.50 Rental

Subject to F.S. Standard Lease Stipulations

Subject to F.S. Stipulation #6 – approximately 28 acres-known National Register of Historic Properties-eligible or unevaluated heritage site.

Subject to F.S. Special Notification #1, #21 (Middle Ridge Hollow, Bud Hollow, Teeter, Camp Run, Vance Run, Little Low Place Hollow – cold water fisheries)

Subject to F.S. Special Notification #26 – Protection of Inventoried Roadless Areas – As shown on map and described as follows: Beginning at a point in the State Line between Pendleton County, West Virginia and Highland County, Virginia, common to pending Oil and Gas Lease BLMA-37310 (Also known as ES-37310); then running with the State line approximately 100 chains to a point on the southeastern edge of the Forest Road 60 right-of-way, then with the southeastern edge of the Forest Road 60 right-of-way, approximately 68 chains to a point on the eastern edge of the road right-of-way in a sharp turn (switchback); then N 25° E, 20 chains (by protraction) crossing to the north side of Little Low Place Hollow to a point on the southern edge of the Forest Road 60 right-of-way, then following the southern edge of the Forest Road 60 right-of-way which becomes an old road bed past a gate, approximately 44 chains to a point in the common boundary between pending Oil and Gas Lease BLMA-37310; then S 27° 00' W, 52 chains (by protraction) to the place of beginning, containing approximately 335 acres, more or less.

See Map Attachment 18

ES-081-03/10 WVES 56280 ACQ *(WVES 55214)

West Virginia, Randolph County, Monongahela NF

Part of Tract 38b described as follows: Beginning at corner 36 Tract 38b, common to a proposed lease

N43°45'E	20.96c	to Corner 37
N24°49'E	23.92c	to Corner 38
N46°38'E	41.95c	to Corner 39
N42°37'E	52.96c	to Corner 40
N00°55'E	23.13c	to Corner 41
N33°35'E	14.19c	to Corner 42
N51°05'E	9.80c	to Corner 43
N02°06'E	7.24c	to Corner 44
N32°34'E	10.49c	to Corner 45
S89°55'E	25.89c	to Corner 46, 30 feet from the center of the railroad; then with a line 30 feet from the parallel to the railroad
S19°38'E	1.88c	
S21°01'E	9.33c	
S17°16'E	2.04c	
S21°55'E	8.94c	to Corner 47; then leaving the railroad
N80°38'E	20.482c	to Corner 2 of Tract 1214; then with a common line of a proposed lease into Tract 38b;
S56°E	92c	to a point; then leaving the line common to a proposed lease
S18°W	42c	
S56°W	198c	to a point in the boundary of another proposed lease; then with the boundary of said proposed lease
N44°W	81c	to the beginning, containing approximately 2,479.771 acres, as shown on the map attached to and made part of this description.

2,479.771 Acres

\$3,720.00 Rental

Subject to F.S. Standard Lease Stipulations

Subject to F.S. Special Notification #1, #21 (Gandy Creek, Taylor Run – cold water fisheries)

Subject to F.S. Special Notification #22 – approximately 147 acres – suitable West Virginia northern flying squirrel (Federally listed endangered species) habitat

Subject to F.S. Stipulation #2 – NSO – management Prescription 6.2 – semi-primitive area without motorized uses

Subject to F.S. Stipulation #12 – Concentrated recreation use – recreation use season Friday before Memorial Day to Tuesday after Labor Day

See Map Attachment 19

**USDA – FOREST SERVICE
STANDARD STIPULATIONS – LEASE**

Monongahela National Forest

The lessee is notified and agrees:

All work and any operations authorized under this lease shall be done according to an approved operating plan on file with the **Forest Supervisor at USDA Forest Service, 200 Sycamore Street, Elkins, West Virginia, 26241**. Plans generally require a minimum of 45 days for Forest Service review. Bureau of Land Management must also review and also approve.

Operating plan will contain information the Forest Officer determines reasonable for assessment of (1) public safety, (2) environmental damage, and (3) protection for surface resources. Content of such plans will vary according to location and type of activity and may contain:

1. Steps taken to provide public safety.
2. Location and extent of areas to be occupied during operations.
3. Operation methods including size and type of equipment.
4. Capacity, character, standards of construction and size of all structures and facilities to be built.
5. Location and size of areas where vegetation will be destroyed or soil lay bare.
6. Steps taken to prevent and control soil erosion.
7. Steps taken to prevent water pollution.
8. Character, amount, and time of use of explosives or fire, including safety precautions during their use.
9. Program proposed for rehabilitation and revegetation of disturbed land.

Copies of all permits obtained from State or Federal agencies pertaining to work might be required. Archeological studies, if required, will accompany plan.

The Forest Supervisor or his/her designated agent has authority to temporarily suspend or modify operations in whole or in part due to emergency forest conditions such as high fire danger or other unsafe situations.

The lessee must keep the **District Ranger** informed about progress of operations to the extent reasonably necessary for assuring public safety. This is especially important with geophysical inventory and testing activities because of their mobile nature. The lessee will alert the **District Ranger** to circumstances which may affect safe and efficient conduct of work activities.

Terms of this lease are considered violated if not done according to these stipulations.

See Special Stipulations & Notifications

**OIL AND GAS LEASE STIPULATIONS/NOTIFICATIONS
Monongahela National Forest, West Virginia**

**Oil and Gas Lease Stipulations/Notifications
Monongahela National Forest
West Virginia**

The stipulations and notifications that follow implement the Monongahela National Forest Land and Resource Management Plan (September 2006).

Not every Forest Plan standard that applies to gas leasing and development is listed as a lease stipulation. Only those that delay operations on a leasehold for more than 60 days, or affect an area larger than 20 acres (contiguous) are listed, except for Special Notification #1 which applies to any operations within the Forest.

Special Notification #1

Operations under this lease will be consistent with the standards found in the Monongahela National Forest Land and Resources Management Plan (Forest Plan), as revised or amended, and are hereby incorporated into this lease in its entirety. Forest Plan standards include restrictions on location, timing and methodology of oil and gas lease operations, and requirements for special surveys that provide for protection of National Forest land and resources. A copy of the Monongahela National Forest Land and Resource Management Plan is available for inspection from:

U.S.D.A. Forest Service
200 Sycamore Street
Elkins, West Virginia 26241

Stipulation #2

The area shown on the attached map is designated Management Prescription 6.2 to be managed as a semi-primitive area without motorized uses. No surface occupancy or use will be permitted in Management Prescription 6.2 areas to protect the primary semi-primitive, non-motorized recreation objective for these areas.

Stipulation #3

The area shown on the attached map is designated Management Prescription 8.2, 8.4, or 8.5 which include National Natural Landmarks, ecological areas, research areas, and research natural area candidates. No surface occupancy or use will be permitted within these areas to protect the primary ecosystem preservation objective for these areas.

Stipulation #4

The area shown on the map is within a site dedicated to Forest Service or its permittees' administrative facilities, and no gas well sites will be permitted.

Stipulation #5

The area shown on the attached map is designated Management Prescription 8.1 (Spruce Knob-Seneca Rocks National Recreation Area), and is managed for semi-primitive, non-motorized recreation. No surface occupancy or use will be permitted.

Stipulation #6

Lands (approximately _____ acres) within the lease area are known to contain National Register of Historic Properties-eligible or unevaluated heritage resource site(s), and the site(s) will be avoided (no surface disturbance permitted), or other steps must be taken to mitigate the activities' effects.

Stipulation #7

The area shown on the attached map is underlain by medihemist (wet, organic) soil, which is not common in this region and are of scientific interest and value. No surface occupancy or use will be permitted in areas underlain by medihemist soil.

Stipulation #8

The area shown on the attached map contains wetlands, and no well sites will be permitted within a wetland or its buffer. Pipelines and roads will not generally be permitted within a wetland. If a wetland can not be avoided, pipeline and road construction may be allowed as long as the subsurface drainage patterns can be preserved and maintained. Any pipeline or road that would cross a wetland should cross in a way that minimizes total disturbance to the wetland. Any wetland habitat destroyed will be replaced or another wetland enhanced by an equal or greater amount of wetland.

Stipulation #9

The area shown on the attached map is designated Management Prescription 5.1, Recommended Wilderness. No surface occupancy or use will be permitted.

Stipulation #10

The area shown on the attached map is designated Management Prescription 8.3, Scenic Area. No surface occupancy or use will be permitted within Scenic Areas. No well sites will be permitted within 300 feet of a Scenic Area boundary. To mitigate potential safety hazards and user conflicts, no construction or gas drilling activities will be permitted within 500 feet of a scenic area during its season of use, approximately _____ to _____. Routine and emergency maintenance of gas developments will be permitted at any time.

Stipulation #11

The area shown on the attached map is dedicated to developed recreation. The following applies:

No well sites will be permitted within or closer than 300 feet of the boundary of developed recreation sites. No new road construction will be permitted. Use of existing roads through developed recreation sites for routine and emergency maintenance of gas developments will be permitted at all times, but use of the road by construction, gas drilling and development traffic and vehicles will not be permitted during the primary recreation season, approximately _____ to _____.

No gas pipelines will be permitted within developed recreation areas.

In order to mitigate potential safety hazards and user conflicts, no construction or gas drilling activities will be permitted within 500 feet of developed recreation areas during the season of use, approximately _____ to _____. Routine and emergency maintenance of gas developments will be permitted at any time.

Stipulation #12

The area shown on the attached map receives concentrated recreation use, and construction, well drilling and development will not be permitted within designated concentrated use areas during the recreation use season, approximately _____ to _____. Routine and emergency maintenance of gas developments will be permitted at any time.

Stipulation #13

The area shown on the attached map is a designated Management Prescription 8.6, Grouse Management area, and is dedicated to the management of ruffed grouse for game. No well drilling or construction will be permitted during grouse hunting season, approximately mid-October through February.

Stipulation #14

Lands (approximately ____ acres) within the lease area contain known populations of Federally-listed endangered plants. No surface occupancy or use will be permitted at locations containing Federally-listed endangered plants.

Stipulation #15

Lands (approximately _____acres) within the lease area contain known population (s) of Cheat Mountain salamander (Federally-listed threatened species), and no surface occupancy or use will be permitted within 300 feet of a Cheat Mountain salamander colony. Not all potential Cheat Mountain salamander habitat on the forest has been surveyed. Prior to conducting any soil disturbing or forest canopy reducing activity in potential Cheat Mountain salamander habitat, additional surveys may be required.

Stipulation #16

Lands (approximately _____ acres) within the lease area are in bald eagle (Federally-listed endangered species) nesting territory. Gas developments will be subject to the restrictions contained in the breeding area or nest management plan. At a minimum, no surface occupancy or use will be permitted within 1500 feet of a bald eagle nest.

Stipulation #17

Lands (approximately _____ acres) within the lease area are in active peregrine falcon (a U.S. Forest Service, Region 9, sensitive species) nesting territory and no surface occupancy or use will be permitted within 10 chains (660 feet) of a nest or hack site. Well drilling from 660 feet to 2640 feet of an occupied nest or hack site will not be permitted from February 1 through August 31.

Stipulation #18

Lands (approximately _____ acres) within the lease area contain habitat used by the Federally-listed endangered Virginia big eared bat. No surface occupancy or use will be permitted within 200 feet of hibernacula, maternity colonies, or bachelor colonies of Virginia big eared bats. Construction and drilling activities will not be permitted within ¼ mile of hibernacula or maternity colonies when they are occupied by Virginia big eared bats, approximately from _____ to _____ for winter hibernacula, and from _____ to _____ for summer maternity colonies.

Stipulation #19

Lands (approximately _____ acres) within the lease area include areas in which limestone or rock units containing limestone are exposed. In these areas, prior to Forest Service approval of an operating plan, lessees will be required to conduct geophysical surveys or drill pilot holes prior to gas well drilling to establish the presence of caves below the drill site and within 350 feet of any proposed blasting involving greater than 20 pounds. Based upon findings, determine:

The appropriate well casing design to protect ground water or caves from contamination.
The acceptable distance and amount of charge that may be safely used if caves were found.

Well(s) will be moved if the findings indicate the potential for groundwater contamination or damage to caves.

Stipulation #20

The area shown on the attached map is within the ¼ mile corridor on each side of a river classified as an eligible wild or scenic river in the National Rivers Inventory (NRI), and no surface occupancy or disturbance will be permitted.

Special Notification #21

The streams listed contain important cold water fisheries. The following will apply to the channel buffers of perennial trout streams (stocked and native) during the period of October 1 to June 1:

Any earth disturbing activity exceeding 2 consecutive days from Oct. 1 to Jun 1 will only be initiated after consultation with a fisheries biologist.

Any earth disturbing activity permitted during this period will employ additional erosion control measures such as 1 ½ inches of mulch applied concurrently with the activity.

Middle Ridge Hollow
Bud Hollow
Teeter Camp Run
Vance Run
Little Low Place Hollow
Gandy Creek
Taylor Run

Special Notification #22

Lands (approximately _____ acres) within the lease area include suitable West Virginia northern flying squirrel (Federally-listed endangered species) habitat. Consultation with the U.S. Fish and Wildlife Service (USFWS) is required prior to approval of operations within suitable WV northern flying squirrel habitat, with protection measures developed through consultation.

Special Notification #23

Lands (approximately _____ acres) within the lease area include habitat managed as primary range for the Indiana bat (Federally-listed endangered species). Consultation with the U.S. Fish and Wildlife Service (USFWS) is required prior to approval of operations. Gas development operations may be allowed when compatible with management objectives for Indiana bat.

Stipulation #24

Lands (approximately _____ acres) within the lease area contain hibernacula or key habitat areas used by the Indiana bat (Federally-listed endangered species). No surface occupancy or use will be permitted.

Stipulation #25

The area shown on the attached map is within the ¼ mile corridor on each side of a river classified as an eligible recreation river in the National Rivers Inventory (NRI). A suitability study must be completed prior to approving operations within the leasehold that may compromise the recreation value of the classified river segment.

Stipulation #26

For the purpose of compliance with the Order(s) of the District Court for the Northern District of California issued in *People of the State of California ex rel. Bill Lockyer, v. United States Department of Agriculture*, No. C05-03508 EDL consolidated with *The Wilderness Society v. United States Forest Service*, No. C05-04038 EDL (reinstating 36 CFR 294, Subpart B (2001) (Protection of Inventoried Roadless Areas) (hereinafter the “2001 Rule”)):

Surface occupancy or use is subject to the following special operating constraints:

No new temporary roads, permanent roads, road construction or reconstruction (as defined in 36 CFR 294.11) may occur within the lands described below:

[legal description of land within IRA(s)]

This stipulation may be changed in accordance with BLM Manual 3101 and any other applicable provisions. This stipulation will cease to apply in the event the District Court's Order reinstating the 2001 Rule is reversed, the 2001 Rule is set aside, or if the Forest Service determines that other events have caused the 2001 Rule to no longer be in effect or applicable to the lands within the leasehold.